

# FINANCIAL TIMES

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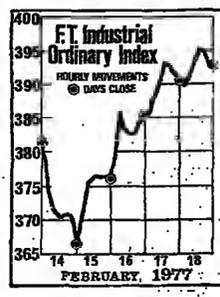
## LAW SUMMARY

### Jordan Equities and gilts edge up; £ slips

**Equities and gilts edge up; £ slips**

**GILTS** were restrained by the Bank of England's hold on the Minimum Lending Rate and by the latest rise in the retail prices index. The FT Government Securities Index edged up 0.06 to 68.15.

**EQUITIES** were generally firm in this trading marked by a shortage of sellers. FT 30



White House yesterday confirmed or deny a report that the Central Intelligence Agency secretly sent Hussein of Jordan \$5 million over the past six weeks David Bell in report.

in the Washington report in the Washington Post. The Carter Administration it coincides with the Mr. Cyrus Vance, the Secretary of State, to Amman. Jordanian Government described it as "a contract of fabrication and disinformation" and "a deliberate attempt to deny success to Mr. Carter's efforts."

warded reaction to the Mr. Jody Powell, the State Secretary, who said that "All sensitive intelligence activities are being reviewed to ensure that they do not lead to speculation that it may be a success to Mr. Carter's efforts."

is travelling with Mr. Powell and the report even if it would affect King's relations with the Syrians and Syria, as well as negotiations about a possible peace talks.

**Share Index closed below the day's best at 393.0, up 2.6, for a rise of 11.5 on the week.**

**STERLING** slipped 10 points to close at \$1.7045. Its trade-weighted depreciation was unchanged at 43.4 per cent; dollar's narrowed to 1.03 (1.22) per cent.

**WALL STREET** fell 3.48 to 940.24.

**U.S. CONSUMER PRICES** rose by 0.5 per cent, seasonally adjusted, last month—the steepest monthly increase for 18 months. The rise was due to more expensive food and services. Page 12

**LEAD PRICES** are being investigated by the Bank of England, after claims that speculation was inflating prices. The Bank said inquiries already made showed there was a genuine shortage of supplies. Back Page

**Land worse**

of the secret fund provided up to £24,000 a year to a six-month political fund. Sir Harold Wilson when leader of the Opposition in 1970-74 insisted yesterday the scheme was permanent and not a one-off. Page 13

**Land worse**

as being "some further deterioration" in the Bank of Mr. Anthony Cross. Foreign Office said afternoon. The Foreign Office is critically ill and in after his stroke at the

**Land worse**

on Flat executives have in the legs and badly near their homes in a new wave of political in Italy. Page 11

**Land worse**

scrapped

a Manchester-Sheffield across the Peak District park have been for economic reasons. The bypasses will be on five villages, Mr. Rodgers, Transport Secretary, announced. Page 10

**Land worse**

police convicted 50 on a protest to-day in the nuclear power station at Sellafield.

Mountain, president of Insurance and chair of Racecourses, has 77. Page 18

**Land worse**

have the chance in dis- portation of American ship Agee and Mark in an adjournment Tuesday. Mr. Michael der of the Commons, 17

**Land worse**

Liverpool men were in custody for seven used of offences con- a fire bomb explosion in the building in the February 2.

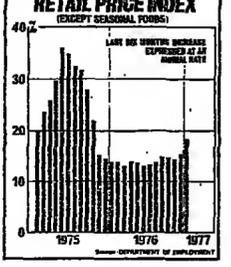
Park Lane Hotel in London, faces 186 s after visits by West City Council health

## BUSINESS

# January price rises put annual inflation rate at 16.6%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The cost of living rose by 2.6 per cent. during January, the largest monthly increase since May, 1975, resulting in a big jump in the year-on-year rate of inflation.



The Retail Price Index in January was 16.6 per cent. higher than 12 months earlier at 172.4 (January 1974=100). This compares with 165.0 in December and annual increases in the range of 14 1/2 to 15 per cent in the previous three months.

Last month's sharp rise in the index announced yesterday by the Department of Employment reflected, in particular, the continuing impact of last year's fall in sterling as well as the reduction in food subsidies and the rise in duty on alcohol and tobacco in the December mini-Budget.

The rise in the year-on-year index for the sixth month running has come at an especially delicate stage of the talks on the next round of the pay policy, providing ammunition both for those calling for looser controls and for those claiming that the need for further restraint had been reinforced.

It is likely that the year-on-year inflation rate will creep up further in the coming months, though possibly by not much more than a percentage point or two, given that there are sizeable further price rises in the pipeline and that comparison in both February and March will be with small monthly rises of year ago.

The official hope is that the jump in the rate of increase in the cost of living may now be near a peak and that the recent greater stability of the pound will lead to a substantial fall in the underlying rate of inflation in the second half of the year. The Government forecast is for a 15 per cent rise in retail prices in the year to the fourth quarter of 1977.

The recent deterioration in the underlying trend is shown by the index, excluding seasonal food over the last six months, expressed on an annual rate. This now stands at 18 per cent, the highest rate of in-

crease since October 1975 and well above the 12 1/2 to 13 1/2 per cent. range for most of last year. This also underlines the sharp squeeze on real incomes at present given the much lower rate of increase in earnings.

The impact of the fall in the pound could toll-off within a few months—it is estimated that the full effect takes about six months to come through to the retail end. About a quarter to a third of the overall rise in the all-items index in the last year is thought to reflect the drop in the pound.

Moreover, last month's increase in the index was probably somewhat exceptional and officials pointed out yesterday that the cuts in butter, cheese and bread subsidies, the drought relief increase in the milk price, and the mini-Budget duty changes, together with sharp rises in the prices of potatoes and other fresh vegetables accounted for between 40 and 50 per cent of the rise in the index.

In the immediate future, about half the duty increase on alcohol and tobacco still has to come through while prices and food over the last six months, expressed on an annual rate. This now stands at 18 per cent, the highest rate of in-

## Cable and Wireless chief resigns

By Kevin Done, Industrial Staff

THE UNREST in the Boardrooms of State Industries that has been building up for many months over member's salaries finally boiled over yesterday with the departure of Mr. Archie Willett, 53, from his post as managing director of Cable and Wireless.

Three months ago the five executive directors of the State-owned world-wide telecommunications company staged an unprecedented Boardroom rebellion by refusing their demands for higher remuneration were met.

They later accepted re-election in the light of approaches that were being made to the Government by the Cable and Wireless chairman, Lord Glenamara, formerly Mr. Edward Short.

All the Cable and Wireless initiatives have been rebuffed, however, and the Government has offered no hope of an early improvement in the directors' salaries. Mr. Willett has now taken early retirement, more than six years prematurely, because he feels he is in "a completely untenable public position both personally and professionally."

Mr. Willett is paid £12,828 and has had an average rise of only 1.7 per cent. a year for the past four years. Under the Top Salaries Review Committee proposals he should be getting £22,000, but the Government has put the committee's last report on ice.

Lord Glenamara said yesterday: "The failure to implement the Boyle report is a serious personal matter for the individuals concerned. During the past five years they have had an 8 per cent. increase in salaries while the rest of living has risen by 103 per cent, and the earnings index by 120 per cent."

"It is even more serious for the company as it has played havoc with differentials to the extent that we now have negative differentials of up to £2,500 per annum."

Mr. Willett's departure and the imminent retirement of another director leaves the Cable and Wireless Board short of four executive directors out of a full complement of seven.

For the last year the job of finance director has been carried on by outside consultants—at fees well above the salary available for a director.

In the absence of a managing director, Mr. Peter McManus, an executive director, and Mr. John Bird, a senior executive, are to become joint chief executives.

## Ministers make concerted bid for pay policy support

SENIOR MINISTERS led by Mr. James Callaghan yesterday linked in an apparently concerted effort to win support for a renewal of the pay policy after July. Clear backing also came from TUC and CBI leaders, writes our Economic Correspondent.



Mr. Callaghan: confirmed economic summit.

The common theme in a series of speeches throughout the country was the danger of a return to a pay free-for-all and the impact of a wages explosion on jobs and prices.

The Prime Minister said in Cardiff, "Britain needed another year in which we have an agreement on pay that is not going to push up inflation."

He warned that pay increases were likely to create more unemployment. Mr. Callaghan confirmed that the next international economic summit of world leaders would almost certainly be held in London in May.

Mr. Callaghan's argument was echoed in speeches by Mr. Denis Healey, the Chancellor of the Exchequer, Mr. Albert Booth, the Employment Secretary, Mr. David Ennals, the Social Services Secretary, and Mr. Joel Barnett, the Chief Secretary to the Treasury.

The warnings came after 10 days in which the opposition of some trade unionists to a renewal of the pay policy had been stated very loudly—what Mr. Healey described as an "orchestrated campaign." The TUC leadership has refused to concede a pay deal until after the Budget on March 29.

In his clearest statement yet of the desirability of a continuation of the pay policy Mr. Len Murray, the TUC general secretary, warned that a wages explosion would make things worse for ordinary people.

He had found "no recognition throughout Britain of the need to ensure that the return to voluntary collective bargaining, which we are determined to begin this year, is done in a planned way."

The TUC would look for "a steady expansion of activity beginning this year but not an uncontrolled dash for freedom which would only end in disaster."

Mr. Sidney Weisbell, the general secretary of the National Union of Railwaymen, also supported a renewal of the pay policy. But he said he would have difficulty persuading some of his members.

He told a conference of the Labour Economic, Finance and Taxation Association in London, the real question was how the degree of pay flexibility needed to restore incentives could be introduced this time "without permitting so great an increase in the nation's earnings that unemployment is bound to rise."

The next Budget can help to make an answer easier by offering a substantial addition to take-home pay through cuts in income-tax. But the cuts in income-tax themselves will depend on the prospect of renewing the pay policy."

Mr. Joel Barnett made it clear that the shape of the proposed tax cuts would depend on what was decided in the next pay round.

The form of any conditions in Continued on Back Page

## Lloyds pre-tax profits rise 55% to record £147m.

BY MICHAEL ELANDEN

LLOYDS BANK yesterday opened the results season for the big banks with a rise of nearly 55 per cent. In its pre-tax profits, from £95.5m. to a record £147m.

Sir Eric Faulkner, the chairman, attributed the big increase largely to a rise in interest-free current account balances and the higher average level of interest rates during the year, together with a £12.7m. contribution from associated companies compared with a loss in the previous year.

The bank also gained an increased contribution from international activities, partly because of decline in the value of sterling (inflated the value of foreign currency earnings).

The results were brought in line with the general expectation of substantially improved profits from the big banks for the past year. But the market felt they fell a little short of average forecasts, and the news brought a setback in the price of bank shares generally.

Lloyds shares, which had reached 215p before the announcement, ended with a full of 5p at 207p. Barclays, which is due to announce its figures next week, also lost 5p at 255p, while Midland and National Westminster each ended 6p down.

The banks are aware that their profit rises are of particular interest against the background of Labour party's nationalisation proposals, and yesterday Sir Eric stressed that he felt no need to apologise for the improvement.

He pointed out that in a time of high inflation the figures presented on an historic cost basis overstated their real value. If the pre-tax profits were adjusted to the increase in the retail price index over the past three years they were only some two-thirds of the previous "record" profits of 1975, in spite of additional earnings arising from retained profits and capital issues.

He stressed the need for

## Russia warns U.S. over human rights

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, Feb. 18.

THE SOVIET UNION has officially protested to the U.S. that American statements on human rights "are out consistent with the aims of a positive development of Soviet-American relations."

However, the Carter Administration remained totally unimpressed. Mr. Jody Powell, the President's Press secretary, said that Mr. Carter was not challenging the Russian Government but simply voicing the American view as the elected spokesman of the American people.

He rejected the notion that an end on human rights had in some way to be linked with other matters of mutual interest, such as an arms agreement.

The Russian message was conveyed by Mr. Anatoly Dobrynin, the Ambassador here, in the absence of Mr. Cyrus Vance. The two met at the State Department last night after President Carter's personal letter was handed to Dr. Andrey Sakharov, the dissident nuclear physicist, in Moscow.

The State Department simply said today that Mr. Dobrynin had made "an oral statement" to Mr. Hartman expressing Soviet displeasure, but refused to characterise it as a formal protest. But an official statement released by Tass, the Soviet news agency, was couched in language as firm as that recently used by Mr. Carter and other members of his Administration on behalf of the cause of human rights.

Endeavouring to counter like with like, the statement on human rights in the U.S., having in view unemployment affecting millions of people, racial discrimination, women's inequality, infringement of civil liberties of

individuals, growing crime rates and so on and so forth. It then bluntly warned the U.S. of the consequences of persevering with its current course of criticism: "It must be clear, however, that attempts to impose one's view on another side and to inject such issues into international relations would only complicate them and make more difficult the solution of problems that really can be and must be the subjects of interaction and co-operation between the two countries."

In other words, the Soviet message is that a new strategic arms limitation agreement, high on President Carter's list of priorities for this year, could be jeopardised if the U.S. does not show its outspokenness on human rights.

It will, therefore, be of considerable significance if Mr. Carter agrees to meet another Soviet dissident, Mr. Vladimir Bukovsky, who is due in Washington and see Vice-President Mondale next week.

The White House said today it was "very likely" that Mr. Carter would see Mr. Bukovsky in person.

Paul Lendvai writes from Vienna: President Ceausescu of Romania has ordered a general crackdown on the first organised human rights group in Romania.

The initiator of the movement, the 42-year-old writer Paul Goma, and possibly several other dissidents, have already been arrested.

Police were posted in front of the homes of some of the 15 signatories to a petition which recently called for priests against the violation of human rights in Romania.

A Foreign Ministry spokesman, reached by the Vienna office of Agence France Presse, refused to either confirm or deny the rumours about the arrests.

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PRICE CHANGES YESTERDAY

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1981-8944 + 5

181 + 7

101 + 24

184 + 8

267 + 12

243 + 8

305 + 10

111 + 6

33 + 6

316 + 6

27 + 3

181 + 7

163 + 3

105 + 5

771 + 7

Ocean Wilsons ..... 150 + 9

Rank Org. .... 285 + 9

Restmor ..... 781 + 113

Sci. & Universal Inv. 734 + 4

Ultra Elec. .... 145 + 58

Westool Inv. .... 90 + 5

Wiglaf (H.) ..... 102 + 6

Ultramar ..... 146 + 4

Amcoal ..... 410 + 15

Gervor ..... 355 + 25

Utah Mining ..... 390 + 20

Whim Creek ..... 210 + 12

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# The week in London and New York

## Market recovers its nerve

### ONLOOKER

A WOBBLING exchange rate combined with a grisly set of trade figures brought the sharp reaction in share prices to its climax at the start of the new account on Monday, and the 80-Share Index closed over 15 points lower on the day at 868.3. That was perilously close to the level which a number of market followers had singled out as an area of strong support for share prices, so there were a few tense moments on Monday night. But it soon became clear that the setback—which had knocked the All-Share Index by nearly a tenth in just seven trading days—had been overdone.

In those six uncomfortable days the market had been forced to adjust itself to the idea that

craft industries' nationalisation Bill is "hybrid," for it came within days of the news that world ship orders are at their lowest for eight years. The result of the hybrid decision is likely to be further delay if the Government persists in trying to nationalise ship-repairing.

The industry background in that Britain, now in seventh place in the league of ship-building countries, has suffered shortening order books—orders fell by 1.25m. tons in the final quarter of 1976 and now stand at around 2.95m. tons, 41 per cent lower than at the end of 1975.

These developments had a mixed impact on the stock market. Robb Caledon slipped back 2p to 32p—although the company has turned round into profits, it is still not out of trouble. Vosper and Yarrow, however, are better able to carry on their own, for both have strong naval order books. Vosper shares moved up 9p to 82p, and Yarrow were up 3p to 170p—both still well below their asset values (respectively 300p per share and 290p per share) but well above their expected compensation prices which are respectively 72p and 95p.

For Swan Hunter the position is less clear. Although it currently has a strong order book, it is concentrated on merchant vessels the longer term outlook for which hardly justifies euphoria at the possibility that the Bill may never get through Parliament.

This week's figures from Carrington Viyella, Nottingham Manufacturing and John Haggas (interims) confirmed that the textile recovery is continuing. Carrington was recovering from a more depressed base than the others and showed the sharpest improvement with more than doubled pre-tax profits to £12m. Nottingham's annual pre-tax level was 40 per cent higher at £11.3m, while Haggas, which actually pushed profits up in 1975-76 despite the recession, lifted its half-time pre-tax level by 24 per cent to £1.48m, and forecast more than £3m (against £2.7m) for the year.

The recent trading picture was similar for all three. In the U.K. the implementation of a quota system helped to peg competition from imports, at least towards the end of 1976, but volume was still fairly flat. The main impetus came from exports. During 1976 exports for the sector as a whole rose by 38 per cent to a record £1.5bn. Carrington gained most

from this with an export rise of 46 per cent. Not surprisingly, Carrington's shares showed the most favourable reaction over the week rising 10 per cent to 28½p while Nottingham increased by 4 per cent to 69p. Haggas finished 1½ per cent higher at 33½p.

The Burton Group has finally committed itself to enfranchising the non-voting "A" shares; the question now is when. At Burton's annual meeting on Wednesday, Mr. David Prosser, of the National Coal Board Pension Fund (which holds 640,000 non-voting shares) opened up this sensitive issue by directly asking the Board if and when the "A" shareholders could expect to get a vote, and the tight family control (holding 57 per cent of the voting shares) would be lifted. The reply by Mr. Ladislav Rice, Burton's chairman, was only partially satisfactory. Although he gave a definite commitment, without a time scale it is hardly worth much to shareholders.

It has been nearly two years since stockbroker J and A Scrimgeour's highly critical report, but the company has responded to institutional pressure and the only hurdle left is the voting issue. The Burton family is digging in on this one, for it argues that enfranchisement now would leave the group wide open to a bid, on the grounds that the shares stand at 63p against assets of 300p per share. But a gradual scheme of enfranchisement over four or five years, as suggested by Mr. Prosser, could give the shareholders something while allowing the new management time to prove the company's worth. As it is, it could be years before they get a vote.

The reporting season for the composite insurance companies kicked-off on Wednesday, when

General Accident announced its U.S. results for 1976. The results of the composites are being looked at with more than usual interest this time to see how far the industry has recovered from the doldrums of 1974 (or, in the case of Commercial Union, 1975). As a first pointer, GA's results came as a disappointment to the market.

Its quarterly figures progressively announced during last year showed a steady, if at times slow, recovery in underwriting results in the U.S. and it was expected that this trend would continue in the final quarter. But the fourth quarter operating ratio of 102.2 per cent (that is, the ratio of claims and expenses to premium income) turned out to be rather worse than in the third quarter. Nevertheless, GA is still talking about an underlying improving trend in the U.S., and London analysts are treating this result as a hiccup. Most U.S. companies are reporting final quarter results which show the improvement either continuing or at least maintained, and analysts are more worried about the U.K. trend.

The industry's 1976 recovery is going to be held back by results in the U.K., a territory that up to now has not caused many problems. Two major natural "disasters" struck the country, as far as insurers are concerned—the storms at the very beginning of the year where overall damage is estimated at £40m, and the long dry summer, which leads to a massive number of subsidence claims as a result of the sub-soil drying out.

Nevertheless, the market expects that the Commercial Union, reporting on Monday week, will achieve its modest aim in 1976 of covering an unchanged dividend and putting something away to reserves; and that Royal, reporting the day after, will continue the recovery started in 1975. But the sector as a whole is still not in favour with investors.

There was a certain irony in the announcement on Thursday that the shipbuilding and air-

craft industries' nationalisation Bill is "hybrid," for it came within days of the news that world ship orders are at their lowest for eight years. The result of the hybrid decision is likely to be further delay if the Government persists in trying to nationalise ship-repairing.

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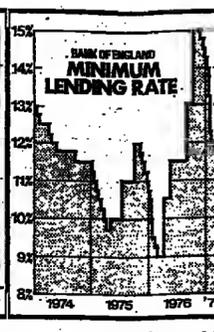
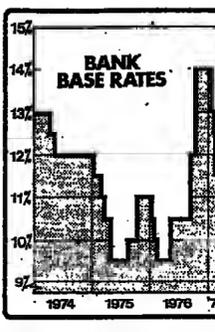
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The recent trading picture was similar for all three. In the U.K. the implementation of a quota system helped to peg competition from imports, at least towards the end of 1976, but volume was still fairly flat. The main impetus came from exports. During 1976 exports for the sector as a whole rose by 38 per cent to a record £1.5bn. Carrington gained most

from this with an export rise of 46 per cent. Not surprisingly, Carrington's shares showed the most favourable reaction over the week rising 10 per cent to 28½p while Nottingham increased by 4 per cent to 69p. Haggas finished 1½ per cent higher at 33½p.

The Burton Group has finally committed itself to enfranchising the non-voting "A" shares; the question now is when. At Burton's annual meeting on Wednesday, Mr. David Prosser, of the National Coal Board Pension Fund (which holds 640,000 non-voting shares) opened up this sensitive issue by directly asking the Board if and when the "A" shareholders could expect to get a vote, and the tight family control (holding 57 per cent of the voting shares) would be lifted. The reply by Mr. Ladislav Rice, Burton's chairman, was only partially satisfactory. Although he gave a definite commitment, without a time scale it is hardly worth much to shareholders.

It has been nearly two years since stockbroker J and A Scrimgeour's highly critical report, but the company has responded to institutional pressure and the only hurdle left is the voting issue. The Burton family is digging in on this one, for it argues that enfranchisement now would leave the group wide open to a bid, on the grounds that the shares stand at 63p against assets of 300p per share. But a gradual scheme of enfranchisement over four or five years, as suggested by Mr. Prosser, could give the shareholders something while allowing the new management time to prove the company's worth. As it is, it could be years before they get a vote.

The reporting season for the composite insurance companies kicked-off on Wednesday, when

General Accident announced its U.S. results for 1976. The results of the composites are being looked at with more than usual interest this time to see how far the industry has recovered from the doldrums of 1974 (or, in the case of Commercial Union, 1975). As a first pointer, GA's results came as a disappointment to the market.

Its quarterly figures progressively announced during last year showed a steady, if at times slow, recovery in underwriting results in the U.S. and it was expected that this trend would continue in the final quarter. But the fourth quarter operating ratio of 102.2 per cent (that is, the ratio of claims and expenses to premium income) turned out to be rather worse than in the third quarter. Nevertheless, GA is still talking about an underlying improving trend in the U.S., and London analysts are treating this result as a hiccup. Most U.S. companies are reporting final quarter results which show the improvement either continuing or at least maintained, and analysts are more worried about the U.K. trend.

Nevertheless, the market expects that the Commercial Union, reporting on Monday week, will achieve its modest aim in 1976 of covering an unchanged dividend and putting something away to reserves; and that Royal, reporting the day after, will continue the recovery started in 1975. But the sector as a whole is still not in favour with investors.

There was a certain irony in the announcement on Thursday that the shipbuilding and air-

craft industries' nationalisation Bill is "hybrid," for it came within days of the news that world ship orders are at their lowest for eight years. The result of the hybrid decision is likely to be further delay if the Government persists in trying to nationalise ship-repairing.

The industry background in that Britain, now in seventh place in the league of ship-building countries, has suffered shortening order books—orders fell by 1.25m. tons in the final quarter of 1976 and now stand at around 2.95m. tons, 41 per cent lower than at the end of 1975.

These developments had a mixed impact on the stock market. Robb Caledon slipped back 2p to 32p—although the company has turned round into profits, it is still not out of trouble. Vosper and Yarrow, however, are better able to carry on their own, for both have strong naval order books. Vosper shares moved up 9p to 82p, and Yarrow were up 3p to 170p—both still well below their asset values (respectively 300p per share and 290p per share) but well above their expected compensation prices which are respectively 72p and 95p.

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## Cautious mood

BY JAY PALMER

NEW YORK, Feb. 18

IT HAS been a week of very prices, and White Consolidated, little price change on Wall Street. Although prices did move slightly higher early in the week more in reaction to preceding bear slides than any thing else, an equally modest trading volumes seen for months later cancelled out the gains. The trading pattern has continued to reflect the flight away from the larger blue-chip and glamour companies' shares. Studies now available show that this really got under way not at the start of this year but, in fact, some few months earlier.

In the final quarter of 1976, larger funds and investment institutions were shedding investments made 12 months earlier in such popular sectors as utilities, oil, retailing and conglomerates. These were the sectors that peaked in price last spring. To replace the holdings in IBM, Exxon and Dow Chemical (the three companies most heavily featured on sell lists), money managers were busy diversifying out into a whole range of lesser known shares, such as TRW, Fleetwood Enter-

prises and White Consolidated, little price change on Wall Street. Although prices did move slightly higher early in the week more in reaction to preceding bear slides than any thing else, an equally modest trading volumes seen for months later cancelled out the gains. The trading pattern has continued to reflect the flight away from the larger blue-chip and glamour companies' shares. Studies now available show that this really got under way not at the start of this year but, in fact, some few months earlier.

In the words of one fund manager—"it is once again 'safety first' on the street." High-yielding issues are fast coming back into vogue, partly because of inherent preferences for a steady return and partly because of the "prudent" investment policies mandated by the pension investment reform act of 1974.

In the midst of its continuing concern over President Carter, the economy and inflation (the last factor being slightly diminished by the news on Tuesday that industrial production figures were down, thus making new hours of inflation less likely), Wall Street did get one strong tonic. On Wednesday the directors of American Telephone and Telegraph (AT and T), the most

of owned stock in the U.S., announced a sharp boost in the dividend from 85 cents to \$1.05, indicating an annual payout rate of at least \$4.20. The dividend increase, the 11th in 17 years, sent the share price of AT and T up to a 12-year high and helped, momentarily, to restore the market's flagging upturn.

Although there clearly remains a real danger that the fears about inflation will quickly work to divert investment enthusiasm away from yield to capital appreciation, all the signs suggest that this will not happen for a while and certainly not before there are far stronger grounds for worry. At the same time, however, it

is worth remembering that year's slide in the leading price indicators has taken price earnings multiple down Jones Industrial down for the recent high now stands about 25 per cent lower than a year ago, midway between the 62 October 1974 and the 13 last year.

This alone could mean are now overdue for some turn, especially since the yesterday failed to support more serious and enthusiastic selling.

Monday 938.33  
Tuesday 944.22  
Wednesday 948.30  
Thursday 943.73  
Friday 940.24

## DOW JONES INDEX Industrial Averages

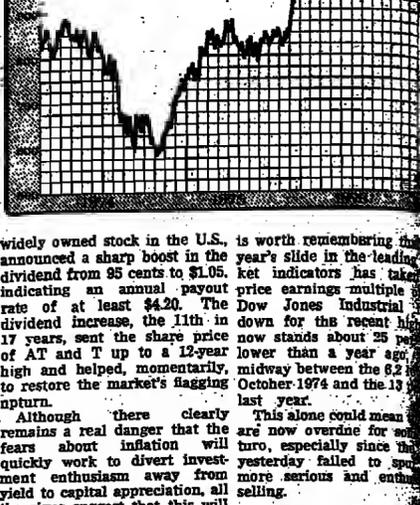


Table with 2 columns: Day, Close. Monday 938.33, Tuesday 944.22, Wednesday 948.30, Thursday 943.73, Friday 940.24.

## Mining Spring is in the air

BY KENNETH MARSTON, MINING EDITOR

IF THERE are any crocuses popping up in St. James's Square under the front door of Rio Tinto-Zinc Corporation, I like to think that they are heralding some equally cheering results from the international mining giant in the next month or so. In fact, I see every reason to agree with the crocuses.

Of course, not everything in the garden is lovely what with difficulties at the group's Rossing uranium operation in South West Africa and at the Mary Kathleen mine in Australia, for examples. But the major income-producing sources look to have done well in 1976.

The pending results for 1976 of the group's Canadian Rio Algom arm should be satisfactory, at least, with the good performance of the Lornox copper-molybdenum operation and the possibility of higher uranium earnings offsetting the earlier difficulties of the steel division. In South Africa, boosted profits and dividends have been already announced by the Palabora copper mine.

This week we have had a burst of good news from the group's Australian operations. Following the sharply increased profits of the Hamersley iron ore complex and the satisfactory performance of the big Bongainville copper-gold mine in Papua New Guinea we have had much better than expected results from the Comalco aluminium

1975 payment of 7.5 cents per share on 288.5m. shares. CREA sees earnings prospects for the current year as "more encouraging," but adds that improvements in world metal demand and prices will depend on measures taken to stimulate the economies of the U.S., Japan and West Germany. For RTZ, an era is now being entered where there will be less dependence on copper for earnings.

Meanwhile, the chairman of America's Amx mining house has had a word to say about the economy. The word is "fine." Speaking to an audience of investment analysts in London this week Mr. Ian MacGregor said that his group, "which could more than double its cash flow before the end of the decade," was well placed to take advantage of future de-

velopment as the U.S. economy "with its enormous powers of recuperation" gets under way again. Looking at the various products of his group, Mr. MacGregor was bullish about lead, despite the metal's polluting characteristics while he regarded the long-term outlook for zinc as "strong and promising." Of the improving market for aluminium, he said that prices of around 65 cents per pound compared with just under 50 cents at present would be needed to justify the opening up of new capacity—an argument that can be applied to other metals.

But coal and copper are especially dear to the Amx heart. A huge demand will develop for both of them, if, as Mr. MacGregor believes, the

bulk of future U.S. energy requirements will be supplied by the form of electrical power. While there is some division of opinion about the timing of new peaks in earnings and dead loss to be in prospect this year, London's Bell Trust holds an 8.5 per cent stake in the U.S. resources giant.

While nuclear power will doubt eventually dominate world's energy scene, the plenty of mileage left in a major revival is now place in South Africa's coal fields which apart from providing domestic requirements have an important export market. Inevitably, Anglo-American Corporation looms large in the picture.

This week the group's American Coal Corporation announced a surge in profits to \$40.5m, which goes against only \$15.5m last time. Latest earnings of 172.5 cents (116p) per share and the dividend total is 40 cents (27p) from cents for 1975.

Allowance has to be made for the fact that Amalco's results have been given by the acquisitions in 1975, but they also reflect July's increase in the metal-controlled price of domestic coal.

This move towards realistic prices has been element in the industry's expansion plans. And Amx now announced that it is up a new Rio10m, £73.5m mine, Kleinkopje, which will reach production in 1979.

Finally, shareholders in wall's Geovir Tin will be pleased to hear to-day of two-for-one offer of new shares at 100p (compared with the current price of 55p) and promise of a final dividend of 11.375p net on the capital. This follows an already declared of 6.5p compares with only 5p a year ago to last March.

Clearly the "rights" command a substantial premium when dealings begin, but not intending to subsidise the new shares should make sure that they sell "rights" before the date on March 14.

## MARKET HIGHLIGHTS OF THE WEEK

F.T. Ind. Ord. Index	Price	Change	1976/7	1976/7	Partial recovery in thin trade
Gold Mines Index	107.8	+7.7	246.9	78.8	Strength of bullion price
Treasury 15 1/2 1996	£107 1/2	-1 1/2	£110 1/2	£97 1/2	Trade figs./Social Contract unease
Anglo American Corp.	216	+18	375	185	Results due Monday
Assoc. Dairies	248	+22	250	115 1/2	Investment demand
Bath and Portland	45	+8	49	24 1/2	Record profits
Braithwaite	260	+40	270	83	Bid speculation/restricted market
Burnett and Hallamshire	101	+15	101	52	Press comment
Dolan Packaging	100	+11	110	49	Revised bid speculation
F.M.C.	75	+8	77	30	Bid hopes
Hawthorn and Leslie	33	+10	52	23	Recovery after poor int. figs.
Kirchen (R.) Taylor	30	+7	45	14	Speculative demand
LOF	53	+4	53	28 1/2	Hybrid ruling on Nat. Bill
Morris (Herbert)	152	+12	156	40	Impressive annual results
Owen Owen	85	+23	86	33	Property revaluation speculation
Sec. & Universal Inv. Tst.	73 1/2	+10 1/2	98	50	Rumours of sale of Fraser stake
Thermal Syndicate	95	+15	96 1/2	35	Record profits
Thomson Org.	430	+28	435	222	North Sea oil speculation
Ultra Electronic	143	+71	148	37	Bid from Dowty
Vosper Thorneycroft	82	+7	91	63	Hybrid ruling on Nat. Bill

## U.K. INDICES

Average week to	Feb. 18	Feb. 11	Feb. 4
Govt. Secs.	65.01	66.01	65.50
Fixed Interest	64.73	65.51	65.47
Indust. Ord.	387.2	389.76	400.5
Gold Mines	106.1	99.1	96.0
Dealings mtd.	4,413	7,126	8,549

CP ACTUARIES	Feb. 18	Feb. 11	Feb. 4
Capital Gds. (Durable)	148.51	150.99	153.24
Consumer (Durable)	131.05	133.21	138.11
Cons. (Non-Durable)	141.77	144.96	148.97
Ind. Group	150.20	153.48	157.16
500-Share	176.25	180.05	183.32
Financial Gp.	124.79	125.87	129.53
All-Share	163.21	166.49	

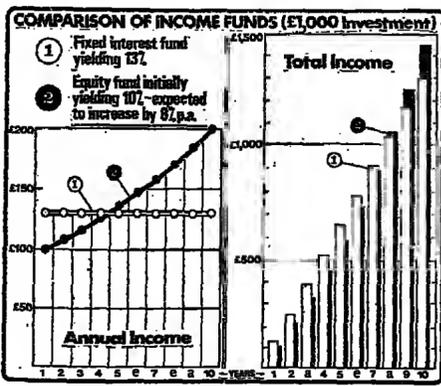
# Your savings and investments

## Forgotten face of growth

BY ERIC SHORT

THE late 1960s and early 1970s have seen the investment fashion in double figures with good to go for growth. Any share prospect of increases in income with a yield of more than 4 per cent was immediately suspect. But the bear market of 1973-74 exploded that and brought home to investors the often unconsidered fact that income was less important than capital growth. Then high income funds, then popular with investors, even those whose sole aim was capital growth, in this respect the capital performance of these funds, some of which have been analysed and are shown to have done well. But how do the high-income funds fare in achieving their objective, that of providing a high income, and what has been the income growth since last year? After all, the return using this fund is for an investment that will provide a return that will appreciate with inflation, while still giving her original capital, and Drayton of yet another income fund — its High Income Trust, it is perhaps time to look at income and to discuss the merits of the various types of funds.

High rate taxpayers should consider very carefully whether to go into high income funds at all, for their investment requirement is capital appreciation. The actual income performance figures last year are interesting. That on the preference funds remained static, as was expected, while the equity based funds showed dividend increases in excess of 10 per cent. London Wall High Income Priority turned in an exceptional rise of 27 per cent, well ahead of inflation. The mixed funds had a lower



rise on average compared with per cent. But inflation has risen equity funds, again as expected, by 172 per cent. The rapid rise with the exception of Arbutnot over the past three years, has High Income. Here the distribution jumped by 33 per cent, but most forms of investment, despite having over one-quarter of the portfolio in preference shares. But the group does not expect a similar rise this year.

But one year should not be the sole guide to a fund's performance. Investors need to look at much longer periods to see if income has matched inflation — surely the acid test of any such fund. Here the picture is entirely from the high level of income not so good for those funds which have been in existence for 10 years or more. Over the past 10 years, the M and G Dividend Fund has increased its distributions by 123 per cent, average equity holder. In the London Wall High Income Priority by 133 per cent, and then they must go for the Arbutnot High Income by 115

## Bright side to retailers

BY TERRY GARRETT

STATISTICS EMERGING this week have underlined the retailers' fears that after a difficult year in 1976 the picture could get a lot worse before it gets better. Retail sales volume in January slipped back, confirming that the "sales" season was generally dull despite earlier indications from leading stores that their tills had not stopped ringing. At 108 the index was the lowest since last June and two points off the comparable period in 1976. So after the tax rebates late last summer, which gave an added boost to retail volume, sales appear to be settling down to a very dull trend.

If that were not bad enough, the Department of Employment figures show that earnings are falling behind the rise in the cost of living. By December the earnings index rose just 11.8 per cent compared with the 15.1 per cent increase in the cost of living. If that continues, retail volume must come under further pressure despite a drop in the savings ratio.

However, January's retail figures may not be as bad as they first look, for buying ahead of Mr. Healey's economic package must have taken some of the usual froth out of the January sales, and, talking to some of the leading High Street retail chains, they do not appear over disturbed by the figures. A spokesman for Marks and Spencer summed up the general feeling: "Anything could still happen this year, but the January trade was better than anticipated and we are not too pessimistic."

Hopes are that the turning point for real incomes will emerge by the spring, and from then on the gap between incomes and prices will narrow, giving better trading in the second half and through to 1978. At least that is the consensus view from brokers and retailers, basing their hopes on political pressures avoiding a continued deterioration in real incomes.

Still on point that does seem assured is that profits growth in the retail sector should be in the region of 15 to 20 per cent, both for 1976-77 and 1977-78. Even though volume may be dull, the earnings index rose just 11.8 per cent compared with the 15.1 per cent increase in the cost of living. If that continues, retail volume must come under further pressure despite a drop in the savings ratio.

This improving pattern in the retail sector should be in the region of 15 to 20 per cent, both for 1976-77 and 1977-78. Even though volume may be dull, the earnings index rose just 11.8 per cent compared with the 15.1 per cent increase in the cost of living. If that continues, retail volume must come under further pressure despite a drop in the savings ratio.

top quality stores in the long down by customers and a fall in volume.

A more promising investment could be found in Mothercare or Boots. The former's unique retailing concept has taken it from strength to strength and profits growth for 1976-77 could emerge as high as 40 per cent. The diversification into the five to 10 year old range has been a great success, while the U.S. acquisition holds promise once Mothercare grafts on its own strategy. The only drawback is the low yield which at 3.3 per cent is a good two points below M and S.

Boots is another group with a strong customer image for its retailing, while the manufacturing division is ploughing ahead on the back of the new anti-rheumatic drug, Brufen. Projections are already centred on £90m. (£72m.) this year, but again the low yield under 3 per cent is a considerable drawback for investors, though the shares are generally thought to be attractive.

Prospects for food retailers look good despite trading down over 8 per cent, the shares look well placed. Dixons Photographic may seem an unlikely candidate for a purchase because of the likely pressure on consumer durables, but the unit cost of some items is falling and the benefits of the integration with Westons are still to come check. So net profit margins should improve. The main problem smaller shares which could do as well as the trading surprisingly well.

PERFORMANCE 1976		
	Income %	Capital %
<b>PREFERENCE FUNDS</b>		
Preference	+ 0.9	+ 8.1
Anti Preference	- 0.3	+ 6.6
<b>EQUITY FUNDS</b>		
Arbutnot High Income	+ 14.1	- 11.9
London Wall High Income Priority	+ 27.2	+ 23.3
M and G Dividend	+ 11.4	- 9.6
High Income	+ 10.0	- 6.6
Income	+ 14.7	- 8.0
Mixed Income	+ 13.0	- 6.8
<b>D FUND</b>		
Arbutnot High Income	+ 7.4	- 1.7
High Yield	+ 6.9	- 3.7
Mixed High Income	+ 33.0	+ 0.1

## Relief of unease

REJECTION of the offer by British Rail 50,000 Oceanic shareholders who might fairly claim to have been sold down the river more than a little. BNP Paribas already runs two unit trusts (one open to the public) with a respectable record and this is more than can be said for the long-term performance of most of the Oceanic funds. Passing on so far and all the through the various bands of Hodge, First Finsbury, Triumph and Lamont seems as a whole, Wood to have had a pernicious influence on the funds' investment results.

This should be remedied under the new regime but there will clearly have to be a re-organisation of the group in a still close to 30 per cent of the sking prior charges at very small holdings. One idea is against the Lamont management and of a weak Wall had the money back to the unitholders level of the latter came down 45 to 29 per cent.

Whatever happens the trustee and the DoT seem to have been anxious this time that the trusts should pass into the hands of the proper hands rather than just letting them be knocked down to the highest bidder.

This was rather difficult for none of the bids were high and most of the large groups were willing to do little more than take over the management for next to nothing.

Mr. N. M. Rothschild has been jinking around in the fund management scene for some years. His efforts are still not widely known since it persists in keeping the Rothschild name out of any publicity. All the unit trusts are marketed discreetly under the "New Court" name. There are rumours of murmurs behind the scenes among Rothschild executives that this might change, but they do not hold out a great deal of hope. And, running true to form the new Rothschild gift bond is fronted by Gresham Life Assurance in association with N. M. Rothschild Asset Management. Having what one might think is a marketing winner of a name (almost synonymous with wealth) one cannot imagine why the bank is so shy of publicity. Maybe it is just ingrained conservatism or perhaps it likes to have an escape clause in all its contracts.

CHRISTOPHER HILL

# Highly Taxed?

Improve your net return using Schlesingers' unique 3 way portfolio.

Currently 68% in Gilts

Investors are looking increasingly at what matters most from their investments — the net return after tax.

For higher rate taxpayers, income yield is far less attractive than capital gains made in an authorised unit trust; for example, to the 70% taxpayer such gains are worth nearly 3 times the same income return.

GROSS INCOME YIELD NEEDED BY			
50% Taxpayer	70% Taxpayer	90% Taxpayer	To equal capital growth of
8-7%	14-6%	43-7%	5%
17-5%	29-2%	87-5%	10%

The Fund is also suitable for Trustees, CIT gifts and children.

The solution is plain: to invest for capital growth. However growth investment often involves an unacceptable degree of volatility.

The objective is to achieve this growth with a higher degree of reliability than a normal equity portfolio investing for capital growth. For this reason the Trident 'Nil Yield' Fund — with the PIMS service — has

- Three portfolios in one**
- 1. Gilt Edged and Loan Stocks.** This section currently accounts for 80% of the portfolio, because of the high and secure returns available. Government stocks account for 68% and other fixed interest investments 12%.
  - 2. Overseas growth stocks (with current emphasis on the U.S.)** — 11% of the Fund. Back-to-back currency facilities largely avoid the risks of the dollar premium.

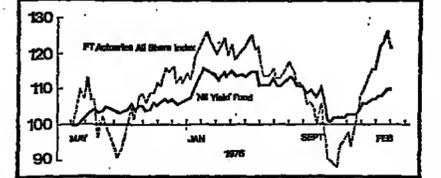
**General Information**  
To invest, use the form provided and units will be allocated at the price ruling on receipt of your cheque. The minimum investment in the Fund is £500 or £2,500 with the PIMS service. A contract note will be sent by return. The Unit Price and yield are published daily in leading newspapers. Higher rate taxpayers will be liable for higher rates of tax and the investment income surcharge on any accumulated income. To Sell units, return your certificate endorsed on the back, indicating the number you wish to sell, for which you will receive the Bid price ruling on receipt. Payment is normally made within 7 days of our receiving the renounced certificate. Commission of 1% will be paid to recognised agents. Charges. An initial charge of 5% is included in the Offer price. A charge at an annual rate of 4% (plus VAT) of the value of the Fund is deducted from gross income to meet administrative expenses. Trustees: Midland Bank Trust Company Ltd., Auditors: Peat, Marwick, Mitchell & Co. Managers: Schlesingers' Trust Managers Ltd., 19 Hanover Square, London W.1. Members of the Unit Trust Association. Registered in England, No. 933855. This offer is not available to residents of the Republic of Ireland.

3. U.K. equities combining high quality, low yielding shares with the Capital Shares of Dual Capital Investment Trusts.

This is currently a small proportion of the Fund, although it will vary with investment conditions.

Although the portfolio is currently heavily invested in Gilt-Edged Stock, actively managed for capital growth, the proportions in the three portfolios are varied according to the Managers' prevailing investment policy and the defensive aims of the Fund.

The Fund is designed for long term and relatively stable capital growth — it is unlikely to move up or down to the same extent as equity markets and the graph shows how this has happened.



In the current period, we expect a small yield of approximately 0-1% gross (on the offer price of 26.9p). The net income will be accumulated on 30 November. Investors should regard their investment as long term.

Bear in mind that even 10% capital return

is equivalent to 29% gross income for the 70% taxpayer.

Remember that the price of units can go down as well as up.

**The benefits of PIMS**  
PIMS is the Personal Investment Management Service, exclusive to Schlesingers, which combines the merits of private portfolio management with the tax, administrative and investment spread advantages of an authorised unit trust.

Investors receive frequent, detailed reports on portfolio policy and are invited to regular meetings with the investment managers. The PIMS team is always available to provide expert advice.

**Withdrawal Facility** is available to realise a regular percentage of capital in lieu of income. Schlesingers recommend a cautious and conservative approach to withdrawals, but remember that, for a higher rate taxpayer, a small withdrawal can be equivalent to a very high income return, either tax free (because of the £1,000 total disposals per annum rule) or subject to a maximum of 12½% tax on the profit element only. The table illustrates the point.

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I declare that I am not resident outside the Scheduled Territories and that I am not acquiring the units as a nominee of any person resident outside the Territories. (If you are unable to make this declaration, it should be deleted and this application form should then be lodged through your U.K. bank, stockbroker or solicitor. Minors cannot be registered, but account designated with their initials will be accepted.)

Surname  (BLOCK LETTERS PLEASE)

First names (in full)

Address

Date

Signature

(On the case of a joint application all must sign.)

FT 19/2

# Schlesingers 'Nil Yield' PIMS

# Finance and the family

## Capital gains tax and Ireland

BY OUR LEGAL STAFF

For about six years, I have been resident in Ireland and taxed there as resident and "ordinarily resident." Most of my income comes from U.K. sources, namely company dividends. In 1975 Ireland introduced a capital gains tax, which embraced U.K. holdings as well as Irish, at 25 per cent. This year, I acquired a residence in U.K. also, so that I shall now be taxed as a "double-resident." What is my position re CGT in U.K. and Ireland, in that both appear to have an interest in taxing me and at different rates?

personal and economic relations are closer (centre of vital interests); (b) if the contracting state in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either contracting state he shall be deemed to be a resident of the contracting state in which he has an habitual abode; (c) if he has an habitual abode in both contracting states or in neither of them, he shall be deemed to be a resident of the contracting state of which he is a national.

### Tax to Belgium and U.K.

My mother came to reside with me in Belgium, last year. She seems to be paying a lot of tax both to the U.K. and Belgium. Her income consists of a U.K. retirement pension, a pension from the BSC, my father's former employer, and interest on government stock free of tax to residents abroad. Must she pay tax to both countries? What should she do? At present, your mother is caught between being accepted by the U.K. authorities as having ceased to be ordinarily resident in the U.K. and being regarded by the Belgian authorities as having become resident in Belgium. Once she has been formally regarded by the Belgian tax authorities as resident in Belgium, and subject to Belgian tax on her U.K. income, she will be entitled to relief from U.K. tax as follows:

- 1—Social security widow's pension: exempt under article XVIII of the Belgium-U.K. double taxation agreement of August 29, 1967.
- 2—British Steel Corporation widow's pension: exempt similarly.
- 3—Interest from exempt gilts: exempt under the respective terms of issue. Interim relief from U.K. tax in excess of 15 per cent. may be claimed under article XI (2) of the double taxation agreement if, although she is agreed to be resident in Belgium, she is not yet accepted as having ceased to be ordinarily resident in the U.K. (because she has not been abroad long enough and might come back).

The necessary claim forms can be obtained from the Inspector of Foreign Dividends, Double Taxation Section, Lynwood Road, Thames Ditton, Surrey, Great Britain KT7 0DP. Your mother's letter to the Foreign Dividends Office should state her full name and residential address, the dates of any return visits to the U.K. since January 1976, and the name and reference number of the U.K. tax office which has dealt with her affairs up till now. The forms for relief under the double taxation agreement should be completed and submitted to the Belgian authorities with (or after) your mother's first Belgian tax return: they will certify the facts and then send the claim forms direct to the U.K. tax authorities.

### Tendering rent due

When the lease of my flat expired on December 31, 1974, the landlord refused to recognise me as a statutory tenant, which I undoubtedly was as he himself later recognised by applying to the Rent Tribunal for an increase. He has not accepted rent and recent cheques have not been presented. As some of the cheques I sent are now out of date, can he recover arrears where the rent was formerly refused? Is his continuing refusal to accept enough to prevent him from recovering at a later date? The landlord can still recover arrears of rent as they do not extend beyond six years' arrears, notwithstanding that he has refused payment in the past. He cannot, however, seek

### A gardener's tenancy

I have a gardener fully employed in my own garden and by virtue of his position he has a free house. Is he therefore affected by the new Act dealing with tied cottages commented in your issue of December 30, 1976, or is his gardening outside the regulations? We do not think that your gardener's tenancy will be affected by the Rent (Agriculture) Act 1976; as it does not appear to be a tenancy where the employment of the tenant is for the purposes of agriculture, as agriculture is defined in the statute. We presume that no produce of the garden is sold.

### Two summonses at once

Recently while parking in central London, and having overrun the time allowed, I received two parking tickets, one from the local authority and one from the Metropolitan Police. Is it not the case that I can only be prosecuted once for the same offence? We think that you should only be prosecuted for one offence.

### Assets held abroad

I am married to a Norwegian citizen. If we took up residence in the U.K. would she be allowed to retain assets and bank accounts abroad? Would foreign shares held by me be repatriated to the U.K. after two years without 25 per cent. investment premium retention? U.K. residents require specific permission to retain assets and bank accounts abroad, which would normally be granted only if special reasons were demonstrated. Securities purchased without paying the premium would not now become premium worthy after you became a U.K. resident.

### Obtaining of probate

In a reply on December 30, 1976, under Obtaining of probate we referred to an Inland Revenue affidavit form A10 and to the necessity of swearing as to its correctness. It has been pointed out to us that changes have been made in this regard and that the appropriate form are now A12, A13 and A14 and that the Inland Revenue affidavit has been replaced by an unsworn document, the Inland Revenue Account.

# Insurance

## Social use of the minibus

BY JOHN PHILIP

IN THE WAY that the estate car, with its extra seating capacity, convertible luggage space, has satisfied the personal transport demands of many families in the past decade, so its larger cousin, the minibus in recent years proliferated. No so much for personal family use but for commercial, social reasons—particularly to carry sports teams and groups of people on pleasure and recreational outings and to take children to and from school, thereby to fill the very clear and ever widening gap in the public transport system.

There is nothing to stop the individual buying a minibus and using it for himself and his family just as he would a saloon or estate car—he incurs no special licensing obligations either from the vehicle or driver's side. And when he comes to insure his minibus he will find insurers ready to treat it very much as they would an ordinary car, except that probably he will have to pay rather more for his cover, if only because the larger ordinary car will carry only five or six passengers while the minibus may have as many as 14 seats including the driver's.

With the private owner it is the extra potential passenger liability risk that is insurers' main concern. But with the non-commercial social user, insurers have to take into consideration not only frequency of use but the precise nature of that use. Moreover, the border line between non-commercial social use and quasi-commercial use is often unclear and can be crossed if, say, a sports club charges its members a nominal sum, so as to spread perhaps the cost of petrol, perhaps other overheads, among the users.

The public service licensing law, with its requirements inter alia that the driver of a commercially run minibus has a PSV licence, has impinged more and more heavily on the non-commercial social sector because of the real difficulty of deciding what is and is not commercial, public service use. In the legal maze, many insurers have taken the view that it is up to the user to sort out his problem with the local licensing authority and then to seek insurance on the basis of his ascertained status, while other insurers have assumed that all users are commercial and have rated risks accordingly. Insurers' problem has been that in the particular case if they rely on the unsupported view of the policyholder as to the kind of use he is making, and provide cover for non-commercial social use only, they might subsequently find the policyholder prosecuted and convicted in the courts not only for a licensing offence but also for driving without insurance—which is an event no motor insurer wishes to happen.

A week ago, a private class member's Bill—the Passenger Vehicles (Educational and other purposes) Bill, introduced by Mr. David Hunt, MP for Wirral, received its second reading in the House of Commons: it had the positive support of members from all sides of the House even tyres that are bald.

together with that of the Under Secretary for Transport and it seems likely that the Bill will become law in a few months time.

Briefly the Bill proposes the establishment of a permit system covering 8-14 seat passenger vehicles: the permit will identify both the vehicle and the persons or body to whom the permit has been issued. Exemption from PSV licensing will apply only so long as such a vehicle is being used by the body specified in the permit and in accordance with the conditions attached to the permit. These conditions would include the use of the vehicle both for public and for general commercial use.

This permit system is felt both by the sponsors of the bill and by the MoT to be necessary, because it is not practicable exhaustively to define in the bill all those people or bodies who should benefit: it is far easier to lay down criteria by which the permit authority can determine application from youth and social organisations, churches, schools, and so on.

So a grey area in the Road Traffic law is to be illuminated and all non-commercial users of mini-buses should benefit, because they will run the risk of licensing prosecution, but will the proposed changes effect the insurance position of the non-commercial user?

I think the practical answer is no, except as regards technical insurance legal procedure. Insurers have provided the user with a Road Traffic Act certificate of motor insurance, which specifies the use which can be made of the vehicle within the insurance cover: words apt to cover it permitted use by the permit user will have to be devised.

Speaking in the Commons Mr. Hunt said he hoped if once the permit system was in operation, motor insurers would be able to grant insurance comparatively low premium "where safety standards were observed under regulations."

The permit system will segregate social from commercial use. But in providing permitted social use cover, questions insurers will want answered will deal with the capacity of the vehicle whether adults or children will be carried and if the latter degree of supervision will be provided, the age and experience of drivers, the frequency of use and so on. These and similar factors will be determining against the underlying assumption, which insurers make in respect of all motor risks, that without insurance—which is an event no motor insurer wishes to happen.

A week ago, a private class member's Bill—the Passenger Vehicles (Educational and other purposes) Bill, introduced by Mr. David Hunt, MP for Wirral, received its second reading in the House of Commons: it had the positive support of members from all sides of the House even tyres that are bald.

### Possession of part of house

I let part of my house furnished to tenants who are normally transients and I would like to let some friends from abroad use the accommodation that is normally let. How can I ensure that it will be available when required? If you effect your lettings pursuant to Section 2(b) of the Rent Act, 1974, that is the new Section 5a of the Rent Act, 1968, you should be able to obtain possession of the part of the house so let when the tenancy ends. The letting should be for a fixed period, for example, four months, rather than a weekly or monthly tenancy.

### Club member's domicile

I have been informed that in the case of people who are not resident in the U.K. and own no real estate in the U.K., membership of a U.K. club which has residential facilities in the U.K. can be held to constitute a U.K. domicile for the purpose of applying capital transfer tax on death. Can you comment on this, please?

Membership of a club situated in England would be a relevant factor to take into account and would normally be of some materiality in the question of domicile, which involves con-

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

# Taxation

## Fond farewell

GOLDEN HANDSHAKE is one of those phrases which never fails to strike chords of recognition, interest and envy. But what is the reality cloaked under the familiar phrase?

There is perhaps one fact which is widely known. Golden handshakes are tricky—one should never offer or accept one without cross-checking with those who hold themselves out as knowing how all the pitfalls can be avoided. This advice is not wrong, but it is insufficient. What one needs is at least enough basic understanding of the subject to be able to seek and use advice which is appropriate as well as expert. Sums received from an employer are almost invariably taxable as income in the hands of an employee, but the single greatest exception to this rule has always been the payment by an ex-employer to his ex-employee. Until 1960, these payments, correctly made, were free of tax. They are now taxable but to a less penal degree than ordinary income, as explained below.

courts would award were a case fought rather than settled between the parties. If an amount described as compensation is greater than would be awarded by the courts, the excess is regarded as an ex-gratia payment. It is possible for compensation to be paid without total cessation of employment—if the duties have radically changed and the remuneration been reduced, compensation may be in order. To achieve the tax benefit one must show that the compensation is attributable to the change, to the employee's agreeing that his rights under the original contract of employment be substantially modified. The Revenue will be quick to argue that the reverse is true, and the outcome is at best unpredictable.

Frequently the employing company finds that it could more appropriately obtain the continuing services it needs from the individual under a consultancy agreement rather

complex than it is. In the case of ex-gratia payments, one sixth of the excess is deemed to be the top slice of the individual's income for the year, superimposed on top of his income from other sources, but ignoring his normal earnings from the employer. The deemed tax liability on this top slice can be calculated, and the actual liability on the golden handshake is that figure multiplied by six.

In the case of compensation payments the one-sixth and six times are replaced by a fraction and a multiplier based on the number of years the individual's contract had to run, rounded up to the next whole number. It will be seen that the top slicing formula will produce the lowest liability where outside income is lowest. If it is envisaged that an individual will start earning from a new employer, and will invest his golden handshake to produce income, his liabilities will be reduced if the golden handshake comes at the end of a fiscal year, so that the increased income is received in the following year. PAYE should be, but frequently is not, deducted from the chargeable part of a golden handshake.

Miscellaneous other matters need mention. If one is compensating by means of a tax-free lump sum for the value of lost entitlement to earnings, one should work from what would have been the net earnings after tax. But this only applies if the lump sum is tax-free—that is, it only applies to the first £5,000. Beyond that, since the compensation is taxable, it is computed on gross earnings anticipated.

Where an employer ceases trading soon after paying a golden handshake, the recipient's position is not affected, but the employer is itself most unlikely to be able to deduct the expense in calculating its own profits. Where there is no cessation of trading by the employer, but it is paying off its existing directors in consequence of a change of ownership, it seems unlikely that it will be able to deduct the expense. However, every case must be examined on its merits—it is for instance quite clear that a company can deduct the costs associated with forcing one of its directors to resign and sever his shareholding connection with the company for the good of that company.

Finally, do not get mesmerised by tax considerations that you forget other implications. Unless a company has in its articles the power to make ex-gratia payments to directors, it almost certainly needs to have any such payment approved by the shareholders before it is made. And undoubtedly any payment to a director must be disclosed in the company's accounts.

## Diary of a small investor

2—The Tradesman in Business: 1958-61

The lesson of my seven-year apprenticeship was: buy depressed high-yielders for recovery.

In August, 1958, I sold 250 Hoover at 42/1d—bought in 1956 on one of their downbeats—for a gain of £231. The proceeds were reinvested in 250 Lancashire Steel at 22/10d and 100 Whitehead Iron and Steel at 44/-. Steel shares were at a low ebb, for no one gave Mr. Macmillan any chance in the coming General Election. "But the shares had gone back almost to their issue price and yielded over 10 per cent., a generous yield in those days. I wasn't looking for a speculative gain, but primarily for income. I couldn't see the shares being re-nationalised at less than their issue price, and after all, anything could happen... And did.

Meanwhile, I still had 300 British Coated Board which was now absolutely friendless. Studying the accounts—the only occasion on which I ever put my economics Degree to practical use—I told myself that the shares were worth a pound of anybody's money, take-over or no take-over. Early in 1959 I increased my own holding to 1,200 at 5/7 1/2 and 5/9d, and bought further 800 for my children's Trust at a similar cost.

On April, 1959, confident that inflation must send share prices upward, I borrowed £1,000 from my widowed mother-in-law in exchange for a life annuity. I played safe with half the money, buying 125 Burnham at 78/3d, but increased my holding of James Nelson, the Lancashire rayon firm—stuck in the doldrums but paying good dividends—from 1,000.

Next Saturday—Part 3: The Method in Action. 1961-72. Strategy bards into an invariable system, with quite remarkable results.

## Banking Rates yo yo

THERE IS A LITTLE game that the big banks like to play among themselves. Though there can be differences of opinion over the right level of their overdraft rates, it makes little difference by and large which of the banks changes first when rates are moving up and down. But there is a certain publicity benefit from being the first to cut the cost of loans, and though the leadership tends to be taken by one of the big two—Barclays and National Westminster, it has been Lloyds which this year has twice brought its rates down by a full 1 per cent. at times when some of the others, perhaps less comfortably placed, might otherwise have gone for a smaller reduction or for different timing.

There have been periods when differences in the rates being charged and paid have persisted for some time—last year, for example, it was some while before the other banks were persuaded that Barclays was right in raising its base lending rate to 14 rather than 13 1/2 per cent. But in most circumstances the banks are subject to the same sort of market and competitive pressures, and they rarely stay out of line for very long.

The base rate, of course, does not represent a rate which is actually paid by any customers. Unlike their American counterparts the U.K. banks do not publish a prime rate, which is the rate offered to the best risks. It is equivalent in this country to what is known as the blue-chip rate. This is the rate charged to the top-quality corporate cus-

tomers of the banks, and normally runs at 1 percentage point above the base rate. Other customers pay rates on varying spreads above base; in recent years, the spreads have increased substantially, ranging now up to some 5 per cent. over base for the lowest priority customers.

The factors which determine the level of overdraft costs and of the rates paid by the banks to their branch depositors are also as simple as they used to be. In the old days, when the authorities used an independently announced Bank rate as their main method of influencing the level of short term interest rates, the lending and deposit rates of the big banks were themselves directly linked to Bank rate. When the Bank of England decided to make a change, the impact went right through the banking system. Now, however, the base and deposit rates are determined separately by the individual banks and though the level of minimum lending rate—the system which has replaced Bank rate—is obviously relevant, it is by no means the only factor in their decisions.

These are influenced by the positions of the individual banks in relation to their lending and borrowing and, at present, their situation under the so-called "crusade" controls over their growth. But the main element in their decisions is the level of short-term rates in the money market generally, which are important for several reasons. The banks are not dependent on the open money market for the greater part of their funds; a substantial slice comes to them

interest-free through their branch current accounts, and a further considerable amount at the relatively modest rates (currently 8 per cent.) paid on ordinary 7-day branch deposit accounts. Nevertheless, there is also an important sum, even when the banks are not bidding hard for extra funds, which they borrow at rates geared to the money market.

The banks have generally to keep their rates in line with the market. If they allow the cost of overdrafts to get too far

out of line, big corporate customers can switch their borrowings back and forwards between the banks and the markets and even between individual banks through its loans to the market to get the best rates. And if overdraft rates are too low, the release back to the banks of the substantial amounts of special deposits previously taken as part of the official money supply, until recently kept the level of market rates relatively high and

or round tripping. The banks inhibited the banks from making this habit with distinct disapproval.

These pressures explain both why in their competitive situation the banks tend to keep in line on interest rates, and why early this year they appeared relatively slow to follow the very sharp downward trend in the minimum lending rate itself. What has happened is that for a period the official MLR has been subjected to rather different pressures from the rest of the market.

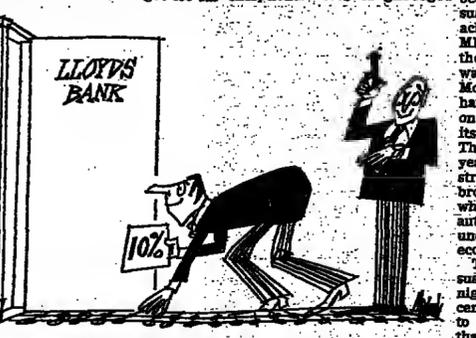
The large amount of funds which has been mopped up by the Government both through tax payments and through the exceptional sales of gilt-edged securities has kept the money market acutely short. This has required the Bank to take regular action to help out, both through its loans to the market and through the decisions to release back to the banks substantial amounts of special deposits previously taken as part of the official money supply. It has also had a substantial impact on the market rates relatively high and

out of line, big corporate customers can switch their borrowings back and forwards between the banks and the markets and even between individual banks through its loans to the market to get the best rates. And if overdraft rates are too low, the release back to the banks of the substantial amounts of special deposits previously taken as part of the official money supply, until recently kept the level of market rates relatively high and

the minimum lending rate, which has reflected the strong investment demand of the Government's Treasury bills, used to raise short-term finance. The MLR is officially the lowest rate at which the Bank of England acts as lender of last resort to the money market, and is normally determined by a formula related to average rate on 3-month Treasury bills at the week tender on Fridays. The formula takes the bill rate, adds 1 cent, and rounds the result to the nearest quarter. On occasions the Bank has had to suspend this formula in order to achieve a substantial jump in the MLR by administrative action: the latest was last year when it was pushed up to 15 per cent. Most of the time, though, it has a considerable influence on the level of the rate through its own market operations. These techniques failed last year, however, to offset strong demand for bills which brought MLR down to a level which was unacceptable to authorities given the continuing uncertainties over the economy.

The Bank therefore suspended the formula, a night ago, fixing MLR at 12 cent in spite of market point to a lower rate. Now it seems that the markets are settling down to a more normal relationship of rates, and the Bank has been able to reduce its own lending rates more in line with the drop in MLR. This is welcome to those customers who have borrowed from banks: but it will not mean that those in the non-priority sector, such as personal customers, will find loans much easier to obtain.

MICHAEL BLAND



مكتبة الانجلى



# Travel

## Snow search

BY ARTHUR SANDLES

TO-DAY we found it. Perhaps the only deep, dry, powdered snow in the American West. It needed a helicopter trip up into the interior glaciers beyond Mount Alyaska to discover it. We lunched at 7,000 feet on beef sandwiches and Californian wine before making the long run through the snows to the nearest village.

Snow is not normally the sort of thing that nice people are talking about in the U.S. at the moment. In the East there has been too much of it and in the West mountains that should be 20 feet deep in the stuff are showing bare grass and rock. All that is not just bad news for skiers, who usually migrate to the Western States for the dry powder snow that has made Colorado and Utah famous.

For farmers and industry the lack of snow is a disaster. No snow means no water for spring crops. So, for the past week, my own search for skiable snow in the Rockies has taken me way above the tree-line, up onto the Mexican border to Oregon and Alaska. These are places where the snow is rarely absent in the winter months. But such Alpine spring—can quickly run has been the extraordinary nature of American weather this year that some of the best snow found this month in the West has been in New Mexico—at a heart-thumping 10,000 feet on the same latitude as the Greek Islands.

Such famed resorts as Steamboat and Breckenridge in Colorado have closed. Mount Hood, the Oregon resort, with its amazing timberline lodge, which was built as a public works project in the 'thirties, will close its lifts this weekend. Sun Valley, Idaho, had to cancel its World Cup downhill ski race, but still hopes to have enough base for the slalom.

Now there are reports of Arab investors eagerly offering to buy out resort owners near-

bankrupted by such a poor season. It is all so sad, for in recent years the Rockies have provided the best late snow in the world. The resorts of Europe can sympathise. The Austrians have just emerged from a four-year stretch of variable conditions which have hampered their ski business. This year, however, everything is white and beautiful. The search for late skiing is therefore not a difficult one. The ski season in Europe normally runs from Christmas to Easter, with the peak at the end of February to mid-March. For purists the best conditions are usually to be found at the end of February, when the temperature is low enough for crisp conditions but the sun strong enough for a tan.

Anyone who plans to ski from mid-March onwards has to be very careful, since snow conditions that late can be unreliable. A rough and ready guide for choosing a late ski resort is usually the height. The ski runs ought to be above the 1,500 metres mark. When you get below 1,000 metres, a two-week where the snow is rarely absent in the winter months. But such Alpine spring—can quickly run has been the extraordinary nature of American weather this year that some of the best snow found this month in the West has been in New Mexico—at a heart-thumping 10,000 feet on the same latitude as the Greek Islands.

The high resorts, like Tignes in France, or Hintertux in Austria, are too cold for my tastes in midwinter, but towards the spring they start to come into their own. The height of the ski runs means long days of sunny skiing. A week in Zermatt in March will put a superb tan on your face—even if it also empties your pocket.

You can get an idea of how the snow is going from the dilly reports carried by the papers, including the Financial Times. Most people use the same basic

Your week-end ski: Austria 28.50, Belgium 42, France 8.90, Italy 1.200, Greece 62, Spain 12, Switzerland 4.25, U.S. 1.200. Source: Thomas Cook.



Les Diablerets

source—the Ski Club of Great Britain—and there has been a considerable effort over recent years to prevent resorts from trying to get over-optimistic snow reports published. Although we do not print all the reports, we try to vary the selection over the week.

A personal choice of late skiing in Europe would be Hochsölden and Oberurg in Austria, Vel d'Iserre, Chamoni and the less-expensive Chamrousse in France, Zermatt, Saas Fee and Verbier in Switzerland, and Cortin in Italy.

If really forced to make a decision, it would be Chamoni for skiing and Oberurg, with its twin, Hochgurgl, for atmosphere. The Hotel Hochgurgl must have one of the most pleasant Alpine atmospheres in Europe.

In the U.S. this week, Aspen, Vail and Toas, New Mexico, still have some snow. In fact, when I was in Toea a couple of days ago, snow actually fell, driving skiers from the discotheque to roll about in it with delight.

On the east coast they have plenty of snow, including Lake

ELECTRICITY can be extremely useful in the garden but it can also be dangerous. Whatever one may think about doing odd jobs of electrical installation in the home, the garden is no place for them unless one has really expert understanding of the problems involved and the methods of dealing with them. Damp is the major problem since, even when joints seem sufficiently tight to exclude all water, there may still be access for damp air which can condense on the cold surface inside and cause short circuits. As an example, though tubular electric heaters are excellent for greenhouse heating, they must be of the special, completely waterproof, aluminium type made especially for horticultural purposes. Tubular heaters made for domestic use are not safe as I know from experience when I once used one as a temporary expedient and received a nasty shock for my carelessness.

Exactly the same applies to fan heaters which have the twin merits of being readily portable and of keeping air circulating inside the house, which most plants seem to enjoy. But, as with tubular heaters, they must be properly waterproofed and of a type made specifically for greenhouse heating. Like corresponding domestic appliances, the fans can be operated without the heat solely as a means of circulating air, which many gardeners believe curtails the incidence of some fungal diseases.

All power sockets must also be fully waterproofed and, of course, every piece of apparatus operating on mains voltage must be efficiently earthed. Electricity is not a particularly economical method of heating and though I once relied on it exclusively because of its convenience, I now

# Gardening

## Light electric

BY ARTHUR HELLYER

tend to use it mainly for back-ground or emergency heating, relying on propane gas in cylinders for the main source of warmth. North Sea gas would be even better for economy but unfortunately there is no supply where I live. On combustion these gases produce none of the harmful by-products of coal gas, only water vapour and carbon dioxide both of which are beneficial to plants.

Whatever form of heating is used, considerable economy can be effected by controlling it by thermostat. Without this one inevitably runs the risk either of leaving the heat on wastefully when it is not really needed or failing to put it on when it is required and so losing or damaging valuable plants. Many small heaters, gas as well as electrical, have built-in thermostats which is certainly convenient but not, I think, anything like so accurate in controlling air temperature as a separate thermostat installed well away from the source of heat and shaded from the early morning sun which might warm up the thermostat, and so cut off the heat prematurely while the air temperature still remains low.

According to a useful booklet, "Electricity in Your Garden," published in a new edition by The Electricity Council, prices of 50p, the greatest economy can be effected by combining space heating with soil warming. This makes good sense since it certainly seems to be soil temperature that primarily determines when plants start to grow and how fast they

# Light electric

BY ARTHUR HELLYER

grow. The Electricity Council experts say that many of the most popular greenhouse plants will grow happily in a minimum night temperature of 7 degs. C (45 degs. F.) provided soil warming cables are laid, either on the benches or on the greenhouse border. Though they are not very precise on this matter, I presume they mean cables laid to maintain a soil temperature of about 18 degs. C. (65 degs. F.) this being the usual recommendation for soil warming.

For seed germination, early in the year a heated propagator can save a lot of money since one has only a small space to heat but I have found the temperatures in some cheap models too high to be satisfactory. For most seeds 15 to 18 degs C (60 to 65 degs F) is adequate and higher temperatures only draw seedlings up too fast and make it difficult to acclimatise them to ordinary greenhouse or frame temperatures when it becomes necessary to prick them out and they require a great deal more room. My own solution is to make a box about six inches deep with no bottom and a tightly stretched sheet of polythene film as a top. This I stand on the greenhouse border with a soil warming cable laid in fairly close loops under it and in much wider loops in the adjacent border. Seeds are germinated in this improvised frame and are then removed to the soil warmed border. With a little experiment one can get the temperatures inside and outside the frame to suit one's requirements and this is as near

as I have yet got to testing combined air heating, warming technique recommended by The Electricity Council.

Of course heating is by means the only, or even the most effective way of using electricity in the garden. It is more efficient as a source of power for lawns, mowers, trimmers, automatic watering and ventilation systems, propagation and so on. Some of these applications have the choice of taking current direct from a low-voltage battery. Mains-operated machines usually score price and are available for use at any time. Machines have the advantage of being a damaging shock to plants or less; they also are mobile, since they can be anywhere and are not tied to a cable plugged into a mains socket. Lawn-mowing operating conventional type batteries are rather thorough I have not found serious handicap since one nearly always moves the mow from place to place under one's own power. Nevertheless, it seems to me that the future lies with newer, lighter and compact batteries such as nickel-cadmium cells now deep with no bottom and a tightly stretched sheet of polythene film as a top. This I stand on the greenhouse border with a soil warming cable laid in fairly close loops under it and in much wider loops in the adjacent border. Seeds are germinated in this improvised frame and are then removed to the soil warmed border. With a little experiment one can get the temperatures inside and outside the frame to suit one's requirements and this is as near

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# Property

## New homes for old

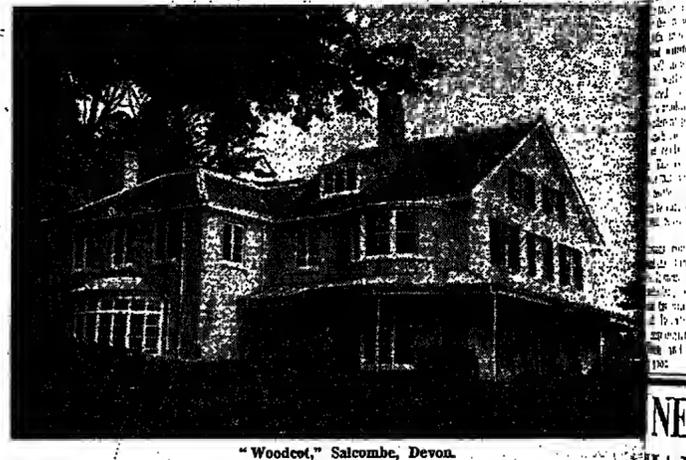
BY JOE RENNISON

THE OPENING ceremony last week of a charming house at Salcombe, Devon, newly converted into self-contained flats, will demonstrate a way of disproving the axiom "you can't eat your cake and have it."

As owners of large houses grow older, and probably less well off, the work and expense entailed in maintaining their property as a warm and comfortable home becomes ever more onerous. Yet the house may be difficult to sell, and in any case the owner is reluctant to move away. A little over a year ago the Help of the Aged concern initiated a scheme which bids fair to solve the problem. "Woodcot," the mansion in Cliff Road, Salcombe, represents the first fruits of the idea, and others are ripening.

An owner-occupier whose house has become too big and expensive to run is invited to present it to the charity for conversion into flats, with the guarantee of being able to choose one of the flats in which he or she and the surviving spouse would be entitled to live rent-free for the rest of their lives. The initial cost of converting the property into smaller units is met by Help of the Aged, and the erstwhile owner no longer has any liability for rates or the external maintenance of house and garden.

Many owners have already responded to this proposition, though by no means all of the houses offered are deemed suitable for conversion. Obviously there are certain requirements to bear in mind, such as reasonable proximity to shops and public services. The flats are allocated to applicants selected by the Help of the Aged housing association which sponsors the scheme. At



"Woodcot," Salcombe, Devon.

"Woodcot," which contains 10 units plus one for a resident warden, they began moving in two months ago. To raise the money needed for the conversion applicants were invited to make the charity an interest-free loan, ranging from £2,000 to £6,000 according to the size of the unit each was to occupy. This money is returnable if the resident leaves; or in the event of death it will be paid into his or her estate.

In consideration of having granted the loan, the resident occupies the flat rent-free. But he undertakes to pay a service charge which will cover the cost of rates, central heating, cleaning of common parts, external

maintenance and repairs, keep of grounds, and the provision of a resident warden, which the resident is responsible for. The service charge is based on the actual cost involved. Comparable amounts in rent elsewhere would cost £10. Director, Help of the Aged, 8-10 Denman Street, W.1.

Inquiries about the bill of donating property to shared residential schemes should be addressed to Hugh B. H. Director, Help of the Aged, 8-10 Denman Street, W.1.

# Mountain retreat

THE TRADITIONAL market for the property in Alpine ski resorts has always been strictly limited. By and large sales have been restricted to rich winter sports enthusiasts unconcerned at restricting their future recreation to a single area. This pattern is now being challenged, and nowhere more strongly than at Les Arcs, the third-generation French resort facing Mont Blanc in the Haute Tarentaise. Here property is being sold purely as an investment, complete with a guaranteed annual income. It is possible to buy a share in a studio for as little as Frs.8,000 (£940) while at the other extreme rich investors and institutions purchase blocks of five or more apartments at a time.

M. Roger Godino, president of the Compagnie Financière des Arcs, said, "We are selling Les Arcs like stock market shares, only people who buy here can identify what they are buying and be sure of the return. They are buying an investment, not a second home which usually only represents an additional burden."

This sales strategy, launched two years ago with the development of the second of the Les Arcs villages, Le Charvet, has proved successful in the French market. The sales rate has meant there are already 4,000 heads in the village, compared with the six years it took to provide 5,000 in Pierre Blanc, the first village. The next objective is the international market. A sales force will begin operating in Britain in 1978. The private company developing Les Arcs, which has a capital base of Frs.20m (£2.35m.), works in close Les Arcs. Large tracts of co-operation with the town a superb off-piste skiing have already been made available, while last

month Les Arcs became the first resort in the world to open vet at 1,800 metres. The first ski lift was built in 1935. At present, each with a minimum capacity of 600 people an hour, so queuing is virtually non-existent. There are some excellent routes to the villages down in the valley and, using a regular taxi service on a short section, it is possible to ski to the neighbouring resort of La Flagne and back. Other features include the first ski lift-to-be built with a ropeway, school in the Alps to adopt the Evulvit method, two langlauf circuits and skiing from helicopters on the 40 surrounding glaciers.

Architecturally Les Arcs stands apart from most recent mountain developments. It is neither functionally modern, of concrete and glass, nor disguised to resemble old-style chalets scaled up by a factor of 10. M. Godino said: "We decided the most important thing was the mountain itself. Our ultimate objective was to merge in and be unnoticed. The buildings use mainly local materials and follow the contours of the sloping site." This acknowledgement of the mountain has created unique internal characteristics, with sloping, criss-crossing corridors in some of the blocks. The apartments themselves are finished to a high standard, with local woods in ample evidence, kitchen facilities and balconies.

The second design philosophy was to develop the resort in separate villages of different character, each limited to 5,000 beds. "This is the right size," said M. Godino. "Small enough for a cosy atmosphere yet big enough to provide all services." Of the five villages planned in a 25-year programme, Pierre Blanc at 1,500 metres is already complete, and Le Char-

vet at 1,800 metres, and the second village, Le Charvet, is under way. The third village, Le Grand, is planned for 1,900 metres. The fourth village, Le Petit, is planned for 2,000 metres. The fifth village, Le Grand, is planned for 2,100 metres.

There are four basic ways of buying: outright purchase, leasehold, share purchase, and leasehold with purchase option. The outright purchase is the most expensive, at Frs.245,000 (£30,000) for a two-bedroom apartment. The leasehold purchase is the most popular, at Frs.10,000 (£1,000) for a one-bedroom apartment. The share purchase is the most economical, at Frs.8,000 (£940) for a studio. The leasehold with purchase option is the most flexible, at Frs.10,000 (£1,000) for a one-bedroom apartment.

Full details until the force is established in Britain are available either direct from Les Arcs, 73700 Mauricie, Savoie, or Maurice, 98 Boulevard du Parc, 75016 Paris.

Advertisement for travel services with contact information for various agencies and destinations.

# How to spend it

# by Lucia van der Post

## bleware

The cheapest, quickest and most effective ways to give a fresher, sunnier look to a dining-room or kitchen is by buying in some of the enchantingly new china and tableware that is being brought into the shops this spring. They are bursting out all over but, as a whole, they are the simplest,

sweetest, most innocent of flowers—daisies, roses, daffodils. Because most of this new china has an informal, artless air it doesn't have to be bought in regulation sets if you don't feel like it—most of it mixes and matches very happily. I myself, for instance, collect quite happily two different colour ranges of china—one range is pink and white from various manufacturers, but all in the rather countryfied mood exemplified by Adams' Scene (Habitat stock it among others). The other collection is

brown and white and is in much more formal mood but I find the fact that there is a great variety of pattern in the collection adds interest. Some of the patterns shown here are so new that they will only be going into the shops next month but they do give you a good idea of what the coming mood will be. Both May Blossom and Franciscan Tableware Dynasty collection were shown earlier in the month at Birmingham's Gift Fair and both were greeted with great enthusiasm by the buyers.



May Blossom is typical of the all-over flowered china still being blotted on tables around the country when it is available, sometime in March. Made by ICFC, the sex 6cm which has become famous for producing British sets of these white porcelain soufflé and quiche dishes. May has blue flowers on a white background. All pieces may be bought separately or in sets and in the range there is a dinner and tea and coffee sets. To give some idea of price, a val dish will be £3.10, a coffee pot will be £6.64, a teacup, while a teacup and saucer will be 96p. Available from Fenwick's of Brent Cross and Liberty's of Regent London W1. For one of London stockists send an a.s.c. C. 25, Lower Square, Isleworth, Middlesex. Similar vein but not illustrated is Pink Sprig which has lower sprigs in a deep pink on a white background. Write to Divertment of 68 and 70 Marylebone Lane, London W1. Simple prices are £1.20 for 10 1/2" plate, £1.85 for a breakfast saucer. Divertment will answer mail order enquiries.

Above: a cow and prettier but less classic version of the traditional old white butter dish. I liked the old design best myself but after I broke my last one I tried to replace it from David Meller of 4 Sloane Square, London SW1, from where I had bought it. Only to be told that, alas, the manufacturer no longer produced it as too many of the cows heads were being broken off. So my progress ICFC (mentioned elsewhere on the page) produces a plain white butter dish based on the old version but I find it nothing like so attractive—it has been hardened up and squared up. This pink and white version is very charming, however, and would mingle happily with any other pink and white china. It also comes in brown or blue on white. It holds 1/2 lb of butter and costs £2.50 from Robert Jackson, of Piccadilly, who will also send by post for 30p p+p.



Above left: Franciscan Tableware showed a new and very attractive dynasty collection of tableware at the International Spring Fair and it will be going into the shops from April onwards. As you can see from the photograph the patterns are rich and far from under-stated and they are based on the Chinese designs so popular in the late 18th and early 19th centuries. This is the kind of tableware for those who like their flora and fauna to be more sophisticated and exotic vein. These sorts of patterns are not new, though here it is particularly nicely done, but what is new is that the types of design normally found on expensive and fine hoo-china, are here transferred to much more robust earthenware which has been made to withstand the wear and tear of dishwashers and detergents. Prices are exceedingly reasonable—a 10 1/2" dinner plate is £1.60, a tea or coffee cup £1.10, saucer 89p. In the photograph are samples of all three patterns—on the left is Exotic Garden, the pieces with the Bird of Paradise are from the Kismet range, while the dragon on the right-hand piece is from Dragon of Kowloon. Exotic Garden will be available in April from Franciscan Tableware, Crane Street, Hanley, Stoke-on-Trent. Other patterns will be out later in the year.

Above: If you have fine antique Georgian silversticks or elegant old porcelain vases then you probably won't have noticed how difficult it is to find candlesticks and other tableware that isn't rather soulless and over-streamlined. Portuguese pottery often has a lovely vein of fantasy to it that appeals very strongly to me and for those who like a fairly informal table these two candlesticks not only do everything that can be expected of a candlestick but look enchanting to boot. The bird model is about 5 inches high, the rabbit just a fraction shorter. Both have a white pottery base and the colours used for decorating are blue and yellow near the candle-holder, and green, yellow and blue on the animal. They cost £2.30 each and are available from L'Algon, 44 Old Church Street, London SW3. Unfortunately they cannot be posted as too often pieces arrive broken. In between the candlesticks is a pottery cat on a cushion. He (she?) is about 6 inches high and can either be used for holding flowers or as a pot-pourri holder. The colours are white decorated with yellow and blue: £3.20, also from L'Algon, which has still more enchanting animal pottery—snakes vary due to erratic delivery but there are fish-shaped dishes, pigeon money-boxes, duck-soup tureens and so on.

## x'n'match

There is a standard random gathered heading and curtains should be ready within two weeks of placing the order. has somehow become the usual time for thinking Home Decorating specialists rettying the house up, for like Homecharm, Decor Market, clog new wall-coverings, Blakey Morris and so on will and carpets. For those who have samples of the fabric bought are beginning to ours and so take orders for the these lines here, the curtains from the end of of the newest products February. Prices range from at the moment. £16.67 for a lined pair, 64 inches and windows. Crown, long to £24.32 for a lined pair well-known for its 80 inches long. Unlined, are oh- and wallcoverings has viously cheaper—a pair 54 inches developed logteally from long would cost £11.15. Price of nt to produce a curtain fabric alone by the metre is £3.99 (plus VAT). Different plain-coloured £2.99 (plus VAT). which co-ordinate with Country House is a lovely col- 60 ready-pasted wall-lection of textile wall coverings is. This is the kind of produced by Boyle and Son. This rvice that will be a boon firm normally deals almost ex- y people but you are clustively with contract wall- to be carried away by coverings and this is the first theic possibilities they for domestic use. Wool, jute and curtains come in four viscose rayon have been used to and one standard width produce about 26 paper-backed es, 72 inches, 51 inches wallcoverings. The colours and inches long by 46 inches texture are lovely—they have and they may be lined the appearance of subtle twists ed. The fabric itself is or woven fabrics. There are four eavyweight washable basic designs, each comes in a viscose and the plain variety of colourways and need are good.



Prices range from £7.95 a roll (the rolls vary, some are 21 inches by 8 yards, others 21 inches by 9 yards) to £9.95 a roll. The most expensive, Wool-spun, made from pure wool, is £13.45 for a roll 21 inches by 6 yards. For stockists of the New Country House range write to: Boyle and Son, Clayton Wood Close, West Park, King Road, Leeds LS16 6QJ. Designers Guild of 277 King's Road, London SW3 goes from strength to strength. There is a shop in Brussels and more are about to open in Geneva, Oslo and Madrid. The style is very English, in the best sense of the word: small prints, fresh clear colours and the whole collection is based on designs that interlink so that many different patterns, for curtains, blinds, upholstery, cushions can all be used in the same room without the effect being too busy. The latest patterns are based on the patterns formed by fossils, falling leaves, pebbles and lace and the new colourways fall into groups called, "Greys," "Blues," "Apples" and "Spices." They, too, need to be seen to be appreciated. Three co-ordinating fabrics from this collection are sketched above.

## A NEW SHARE INDEX

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You may not associate the stock market with happiness in recent years. Yet many needy people have cause to do so. A growing number of shareholders have been giving shares to Help the Aged. The shares are refully used to help the charity's work for the very, frail, and hungry old people. No capital gains tax is payable either by the donor or the charity. Help the Aged's work is endorsed by many well-known people such as Lord Shawcross, Lord Alder, Lady Spencer-Churchill, and General Brian Horrocks. The charity has an international reputation for achieving a great deal with money given thanks to many dedicated volunteers; and for combining imagination with friendly personal care. Full details of the share plan, and a copy of annual report, will gladly be sent to you or your financial advisers. Please write to: Hon. Treasurer, the Rt. Hon. Lord Maybray-King, 11p the Aged, Room FT6, 8 Denman Street, London W1A 2AP. £150 perpetuates a loved name by inscribing on the Dedication Plaque of a Day Centre, which it helps to start.

## greenery

Nothing gives a house a more spring-like feel than plants and flowers. Flowers are now so expensive that most of us gradually build up a collection of house-plants—they, too, are expensive to buy but they are supposed to last. If you have trouble keeping them alive long enough to call them a collection AGNES KINNEYSLEY has just discovered the book for you. Dr. D. G. Hessayon and his wife, Joan, have produced a book that solves the mystery of identifying plants ranging from A for African Hemp to Z for Zonal Pelargonium by way of I. On to subsequent clues and for Ivy. This is a companion to "Be your own house-plant expert" the sales of which have exceeded 500,000 since it appeared 15 years ago. However, before you can know how to treat it, whether it likes sun or shade, lots of water

## paint

WE ALL know that the one thing that really has become a luxury, out of range of all but the really rich, is labour. So this spring there will, I imagine, be a whole new group of people who will sadly be facing up to the fact that if they want bright, new walls, they'll have to do it themselves. If you've ever been in that situation before you will imagine that you can walk into a paint shop, choose a pretty colour and that'll be it. You're in for a nasty shock. A paint shop is even more confusing than a cosmetic counter. Technology has moved in a big way and the vast vocabulary of technical terms is likely to bewilder anybody who is not a chemist. So if you feel this is the year you've got to start, here is a beginner's guide to some of the basic points about today. The first thing to bear in mind, when choosing a paint, is that paints fall into two main groups—oil-based paints and water-borne paints (emulsions). Oil-based paints have that typical "painty" smell. The instructions normally specify thinning with white spirit or turps, and they take several hours or even overnight to dry.

Emulsions, by contrast, have little or no smell, they're thinned with water, and can dry in a couple of hours. In both oil-based and emulsion paints there is a wide range of finishes from matt to high gloss. The important thing to remember is that as a general rule the higher the gloss the greater the resistance of the paint to wear and tear. Emulsions are much easier for the amateur to use. They dry quickly and this means that you don't have the room in turmoil for days on end—no strong smell of paint permeating the whole house. Emulsion paints are easier to apply. Oil-based paints on the other hand need a brush cleaning fluid. Emulsion paints may also have Vinyl, Latex or Acrylic in their composition—all three help, in different ways, to make them more hard-wearing. So far, emulsion based paints seem to have all the advantages and one wonders why the oil-based kinds are sold. But the paint manufacturers point out that oil-based paints are generally more durable, tougher and should be the first choice if the area is likely to get hard wear (door frames, staircase rails etc.) or where greater protection is required. Oil-based paints give a superior, smoother and richer finish and they show fewer brush marks. Before you get carried away by the colour charts you'll need to decide whether to buy a liquid or a non-drip type of paint. Non-drip paints go by the name of thixotropic paints and if you look for that magic word you'll be much less likely to splash it about or have runs and sags. Armed with these basic facts your next step is to try and find a good dealer who is prepared to give you advice. Every manufacturer has his own brand, and every brand is a unique chemical composition. The best book we have come upon on the subject is Let's Decorate, written by Roy Day for ICI. Val Armstrong of the ICI Press office, Millbank, London, SW1, has a limited number of copies which she will send free. Crown has a booklet called "Decorating your home" which sums up its own ranges pretty well for 20p. It also runs a Decorative Advisory Bureau of any sort free of charge.

## Osborne and Little of 304 King's Road, London, SW3 (diagonally across the road from Designers Guild) has also used fresh, vibrant themes for its latest collection of wallpapers. Called Hanging Gardens this is the first range of machine-printed papers but it has retained its high standard of design and colour co-ordination. In the range are 14 designs in 70 different colourways, all printed on heavyweight white base paper. The collection will be available from most good class wallpaper and design shops. Among the papers I liked most are two illustrated immediately above. Centre is an almost Chinese design with fans interspersed with bamboo. Below it is my favourite, a beautifully coloured delicate all-over design of foliage. Both are £5.20 (plus VAT) for a roll 10.5 metres by 52 cms (11 yards by 29 1/2 inches). To give some idea of scale in the bamboo paper the repeat is about 4 inches, in the foliage paper each little leaf is about 1/2 inch long.

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# The Arts

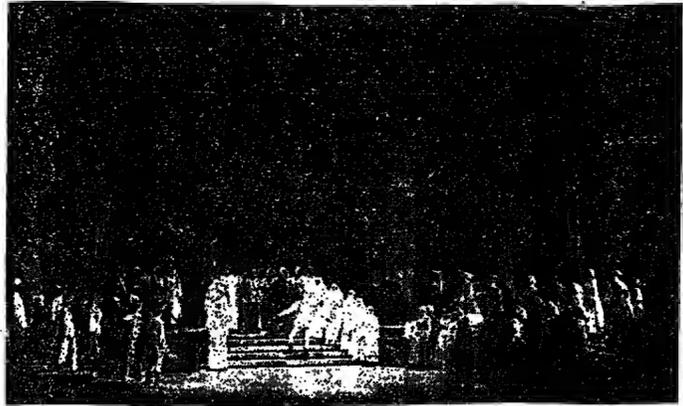
## Rienzi in Texas

BY ANDREW PORTER

San Antonio is in Texas, not far from the Mexican border. It is a delightful place, of mingled Mexican, Spanish, German, and American characters, and after Boston the American city where I have had the strongest sense of history underfoot. At the centre of the town is Alamo, the famous mission compound where Texans and Americans were besieged and slaughtered by Santa Anna's Mexican army. Outside the town, stretched out along the San Antonio river, are easy, level bicycle ride ways, are four 18th century Spanish mansions, part ruined, part restored, and all picturesque. The river loops and winds through the town itself. Its banks are tree-planted walks with cafés and restaurants. One can stroll from hotel to dinner at the Theatre of the Performing Arts without encountering a motor-car, since the water level is well below the road level. The theatre is large, seating nearly 2,800, but acoustically bright—pleasant modern building.

Rare the San Antonio Symphony mounts three full opera productions each season, and the first of them this season was *Rienzi*. The opera was given an admirable performance, the fullest and most stylish account of the piece I have encountered. While in length it could not compare with last year's BBC presentation—that contained four hours and 47 minutes of music, while the San Antonio version had only about three hours and ten minutes—far more was the case with the Festival of 1967, or at La Scala three years earlier. John Mauceri, who conducted, and Robert Darlogg, who designed and produced, had taken note of new work on the opera end had corrected and amplified the base text, the Cosima edition of 1897, from the new score of the complete edition.

Comparisons with the Met *Prophète* were inevitable. The two operas were written at much the same time (Wagner's came first, so if there is any influence, it is of *Rienzi* on *Le Prophète*), for similar forces and similar soloists (tenor, mezzo, and



A scene from 'Rienzi' at the Theatre of the Performing Arts, San Antonio

soprano). The comparison is already implicit in Wagner's account of the *Prophète* Act 3 finale, when John of Leiden musters his popular army for the assault on Münster, and at certain fall an electric sun—the first use of electricity at the Opera—blazes out. Wagner uses the episode to illustrate his charge against Meyerbeer of "effects without causes." His own immense battle muster in Act 3, when Rienzi summons a popular army to march on the patricians, is led by a hero and a feminist, not a self-deluded charlatan. Meyerbeer's ballet is the totally irrelevant *Les Patineurs*; Wagner's is a representation, at *Rienzi*'s peace festival, of a tyrannical overthrow and ancient and modern Rome united, in general, the comparison is between a very skilful and experienced composer setting out to please, please, and impress his audience and ambitious young genius inspired by his subject to pour out a torrent of tuneful, high-spirited music on an exuberant large scale.

The Met *Prophète*, as I have related, was caged in a unit set, and Meyerbeer's scenic directions were junked. For *Rienzi*, Mr. Darlogg had designed two quadrants of classical colonnade, variously grouped and added in ways that evoked palace, piazza, or church portico without monotony. The stuff they were made of cunningly suggested the decayed grandeur that was medieval Rome. Space could be deep or shallow. In Act 3 there was room for a crowd of some 250 to acclaim Rienzi, who entered on a white charger, as in the well-known water-colour of the original Dresden production, the original Dresden production, across the stage (while in the

*Phophète* hand had merely for it. Outside a festival (or played in from the wings, and studio-assembled) performance, an effect that composers counted *Rienzi* is, impossibly long. But on was lost. Mr. Darlogg either cutting does not improve it. As did what Wagner asked for or devised actions after the spirit of his instructions which could be achieved by local forces. For example, the ballet was a medievalised form of half-time hammer-waving routines executed by the Red Beret Team of the Churchill High School Band Flag Corps; their bright pageantry was apter far than any awkward ballet.

James McCrory, who will be coming to the Coliseum for *Siegfried*, later this year, was *Rienzi*'s voice. It is true, firm, and untiring. He declaimed, suggesting a more even Vickers, without the croony quality in *piano* but also without the fire and ring in climaxes. He made nothing of the words (the opera was sung in English, essentially a revision by Francis Rizzo of the Fanny S. Copeland translation), and he broke both syntactic and musical lines ("Accept my humble fervent prayer"). But when he leaped to declaim, and just stress and accent to sense, he should be a notable new Wagnerian. Rose Marie Freni was a cogent Adriano. Her mezzo has one of those complicated, far from limpid timbres, when she has temperament; she held ear and eye. Janet Price made her American stage debut as Irene, showing both that he can make a good approach to Wagner and that she has the power to ride vast ensembles.

Irene's role became small, since the duet with Rienzi in Act 5 was omitted (along with most of *Rienzi*'s cavatina, after the Prayer). I regretted this, but understood the practical reasons

for it. Outside a festival (or played in from the wings, and studio-assembled) performance, an effect that composers counted *Rienzi* is, impossibly long. But on was lost. Mr. Darlogg either cutting does not improve it. As did what Wagner asked for or devised actions after the spirit of his instructions which could be achieved by local forces. For example, the ballet was a medievalised form of half-time hammer-waving routines executed by the Red Beret Team of the Churchill High School Band Flag Corps; their bright pageantry was apter far than any awkward ballet.

Once, San Antonio vied with New Orleans as the leading musical cities of the South, one German and the other French orientated. Today, Houston and Dallas take the operative headlines. But of all the productions I have seen in America, in New York, Boston, San Francisco, or elsewhere, this San Antonio *Rienzi* has made the greatest impression. It was the sort of performance that causes the stock judgments of musical histories to be rewritten.

## A new look at The Importance

BY MICHAEL COVENEY

The Glasgow Citizens are currently presenting the first official professional production of the four-act version prepared by Vyvyan Holland from a German translation published in 1903. As is well known, Wilde submitted the longer version to George Alexander in 1894; Alexander asked for the play to be shortened in order to allow for a curtain-raiser. A year later was born the classical three-act comedy we know to-day.

What director Giles Haverall has done is to restore from the original the substantial part inside where the solicitor Gelphay (David Hayman) arrives at the Manor House, Woolton, to accompany "Ernest Worthing" to Holloway prison. There is a small number of a large cast at the Manor. By this time Algernon has presented himself to Cecily as Jack's rakish brother Ernest, and is understandably outraged: "I really am not going to be imprisoned in the suburbs

for having dined in the West End." It is one of the funniest, most typical lines Wilde ever wrote. And the interlude enforces the social quality of the piece to marvellous effect. Also restored is the delightful proposal of Canon Chasuble to Miss Prism in the last scene; and although Wilde obviously prepared the compressed version at top speed, he made some telling alterations of rhythm and emphasis on the way.

Mr. Haverall cleverly has it both ways by going to the three-act version for such obvious adjectival and conjunctive phrases as are there; but it is hard to understand how Wilde could possibly have cut such a Holloway prison. There is a small number of a large cast at the Manor. By this time Algernon has presented himself to Cecily as Jack's rakish brother Ernest, and is understandably outraged: "I really am not going to be imprisoned in the suburbs

interpretation. It is a fully-fledged, controlled and brilliantly funny piece of feminine characterisation. Mr. Hyde has a superb voice, a commanding stage presence and great style. Here he acquiesces like Edith Erskine to the obvious moments of Miss Prism in the last scene; and although Wilde obviously prepared the compressed version at top speed, he made some telling alterations of rhythm and emphasis on the way.

Although Wilde specifies that the last two acts in the original should be played in the draw-room at Woolton, Mr. Haverall quite sensibly (in these hard times) plays them in the Act II garden. And Philip Prowse's garden is a wonderful creation: a cluster of tall birches rising to a leafy summit; four stone, mounted flower pots full of pink roses; and, nuptiae centre, a Victorian red brick archway leading to the house. Incidentally, the garden is also populated by the skulking gardeners (Douglas Heard) another survivor from the original, though only blessed with four lines of little text. There is much that is fresh and original in the interpretation of the four young people: Jill Spurrier as Gwendolen is well on her way to following in mother's footsteps. Large, grand, ambitious and terribly Belgravian, Miss Spurrier has some fine moments with the detestable name of "Jack," and generally gives her Ernest good reason for the last two acts in the original. Her mother "in the room at Woolton, Mr. Haverall quite sensibly (in these hard times) plays them in the Act II garden. And Philip Prowse's garden is a wonderful creation: a cluster of tall birches rising to a leafy summit; four stone, mounted flower pots full of pink roses; and, nuptiae centre, a Victorian red brick archway leading to the house. Incidentally, the garden is also populated

## An orchestra at home

BY RONALD CRICHTON

The Concertgebouw or "concert building" which is the home of the famous Amsterdam orchestra of the same name sits comfortably at the far end of the Museumplein, the large square behind the Rijksmuseum. When the hall was built, 90 years ago, it stood on the edge of the city. Even now, so many green, open spaces (to say nothing of canals) creep into the hub of Amsterdam that it remains the least oppressive of major European cities.

The orchestra was formed for the ball—not the other way round. The first conductor was Willem Kes, a pioneer both of orchestral and of audience discipline. When Kes went to the Scottish Orchestra in Glasgow in 1895, he was succeeded by a young Dutch musician who had been cutting his teeth in Lucerne. Wilhelm Mengelberg reigned over the Concertgebouw for nearly half a century, until his insufficiently hostile attitude to the occupying forces in the last war caused his removal.

Fifty years may be an inordinately long time for a conductor to remain with an orchestra, but it is preferable to the game of musical chairs that conductors play nowadays. It was Mengelberg more than anyone who brought the orchestra into the top class. The continuity remains remarkable. Mengelberg's successor was Eduard van Beinum, his "second conductor" since 1931. Van Beinum at his death was succeeded by the tandem of Eugen Jochum and Bernard Haitink; Haitink took over in 1964 and, of course, remains chief conductor.

This orchestra has been lucky not only in its conductors but in the hall. The private individuals to whose generosity and far-sightedness Amsterdam owes the building stand on the edge of the city. Even now, so many green, open spaces (to say nothing of canals) creep into the hub of Amsterdam that it remains the least oppressive of major European cities.

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The acoustics have long been the admiration, not only of listeners but of performers. Hearing the orchestra on home ground for the first time a week ago, I struck a programme which began with an unfamiliar work in a familiar idiom—the best possible combination for the circumstances. Hendrik Andriessen is a Dutch composer now in his eighties. His Variations and fugue for string orchestra on a theme of Kubuau date from 1955, and are therefore contemporary, with

followed by shiding affectioz with awareness of darker sides. In Prokofiev's Fifth Piano Concerto (even Ashkenazy? But advocacy will not make the work a satisfying whole) showed that gotten obscure on the tonal scale down-to-earth and acrid. The sheen was glorious in the last item—Stravinsky's Firebird Suite where every touch told, ever ordinaire phase above and the chords of the ending glowed with the warmth of a great w stove. This was the sec' repeat of the programme and skirlings and rustlings of the saltarello finale have a tinge of melancholy, brings out the ambivalence of most could you with such a schen Northerners' response to the fill the Festival Hall more the Mediterranean—initial, delight once?

In Mendelssohn's Italian Symphony it became clear that chords of the ending glowed with the warmth of a great w stove. This was the sec' repeat of the programme and skirlings and rustlings of the saltarello finale have a tinge of melancholy, brings out the ambivalence of most could you with such a schen Northerners' response to the fill the Festival Hall more the Mediterranean—initial, delight once?

ADDITIONAL.—The Glass played by the young company Menagerie. Good, romantic production of Tennessee Williams's VAUDEVILLE—Spokening. TI successful musical play th combines clear-eyed thinking about Belfast life's selt. Aubrey. Reviewed Wednesday. EUSH—Come Jubilee. Two plays by a West Indian writer about the life of London immigrants. The production somewhat flatters the writing. Opened Tuesday. CITIZENS. Glasgow — T. Country Wife. Outstanding p. duction of Wycharley's elegant hawdy Restoration masterpiece and honourable, not very well Reviewed Friday.

## Chess Weight of numbers

THE ANNUAL British Chess Federation simultaneous tour by the grandmasters who competed at Hastings illustrated a general pattern when a strong player takes on 20 or more opponents at once. If the overall standard is fairly weak, the expert can reckon on scores of 80-90 per cent or even better; but where the opposition includes a sizeable group of strong players, sheer weight of numbers will often induce fatigue and blunders from the usual vigor.

This year, grandmasters Adorjan and Damjanovic made high scores against average club opponents in the North of England, but Romanishin, the Hastings winner, and Adorjan of Hungary, led the going harder in the London area. Romanishin, who had never before conceded more than three losses and four draws in a display, got the two worst results of his life, losing five and drawing eight against mainly junior opponents at the Central YMCA, and losing four and drawing seven at Ilford.

In the latter event the Essex veteran E. J. Woolverton drew and so maintained a fine record—he is unbeaten against almost every grandmaster who has played at Ilford back as far as Alekhine in the 1930s.

Adorjan also had a lifetime worst result when he conceded five losses and nine draws to the juniors at the Evening Standard congress, but although this kind of event is very helpful in encouraging lesser lights to realise that grandmasters are fallible against a determined opponent, there is a truer test of

skill in simultaneous games with a clock. Here the numbers are smaller (a dozen games is normal) and each board has a chess clock as in normal match play. If the expert is slow, he can find that all 12 clocks are going against him at once, and if he is very slow, he can find himself smashed in a dozen simultaneous time scrambles.

Adorjan's clock display, held in the pleasant library of Pitman Publishing and sponsored by the Slater Foundation, was against a dozen selected juniors all aged under 16. The overall result of eight wins for the grandmaster, three draws, and loss to Richard Holmes of St. Paul's P.Q4, P.P. 4 N.P. N-KB3; 3

White: A. Adorjan (Hungary). Black: N. W. Ivel (Blackpool). Opening: Sicilian Defence (clock simul 1971).

The opening moves were 1. P-K4, P-QB4; 2. N-KB3, P-Q3; 3. P-Q4, P.P. 4 N.P. N-KB3; 3

School, was better for the juniors than similar matches against Bronstein and Smyslov last year. White was hastily demonstrating a grandmaster playing to win with something like full power.

Thus Adorjan's best game began with an important opening novelty, and ended with an imaginative sacrifice of a bishop. It would have distinguished a master tournament, let alone a simul.

White: A. Adorjan (Hungary). Black: N. W. Ivel (Blackpool). Opening: Sicilian Defence (clock simul 1971).

The opening moves were 1. P-K4, P-QB4; 2. N-KB3, P-Q3; 3. P-Q4, P.P. 4 N.P. N-KB3; 3

sprinter which Black will try to stop with his knight. What should be the result?

PROBLEM No. 154  
BLACK (5 men)

White mates in two moves. Solutions Page 2

N-QB3, N-B3; 6. B-QB4, Q-N3. B-QB4 used to be a Bobby Fischer favourite, and Black's queen move aims to pressurise the centre before White can build up an attack with P-KB4-5.

7. N-Q4, N-Q3; 8. B-K3, Q-R4; 9. Q-Q4, P-K3 (N-Q3 gives White a strong attack); 10. Q-Q, B-K2; 11. B-N3, G-Q; 12. P-B4, N-K1 (B-Q2 is also possible, but the text is book); 13. Q-N1? (an innovation, found at the board; 13. B-N3, P-K4 is at least equal for Black); N-N5; 14. B-Q2, B-B3 (natural but probably not best); Black could try P-Q4; 15. N-P; B-B4; 16. N-K7 ch. K-R1; 17. P-Q1; P-P; 16 P-P, N-KP; 17 R-B1 (the point of 15 P-N5: now White has a strong attack); P-R; 18. N-K4, Q-Q1; 19. Q-Q? (Black's development is backward so the attack outweighs the material gain after a queen swap); R-Q; 20. R-R5, R-B1; 21. N-P ch. K-N2; 22. R-KB1, N-B3?

Black should defend by N-Q2 with no clear win for White: as played, White wins by a rousing king-bunt.

23. N-R5 ch. K-R3; 24. R-B4 ch. K-K1; 25. B-Q2, N-K4; 26. P-B3, N-N3? (N-B5 ch. hoping to play P-K4 or P-B4, is the last chance); 27. B-Q1 ch. K-R5; 28. R-B3, K-N5 against the more obvious P-K4

Adorjan had planned the pretty knight sacrifice, but the material mate: there can't be many games in chess literature with a double rook sacrifice after the exchange of queens; 29. R-P dis ch. Resigns. For if K-R4; 30. R-P mate.

White mates in two moves. Solutions Page 2

LEONARD BARDEN

## Collecting Ceramic triumph

THE ART of printing decoration on ceramic articles by the transfer process was a major British achievement of the early industrial revolution. To-day these printed wares provide a rich and varied field for the collector at every level, and a seemingly unlimited hunting ground—not to say battlefield—for the researcher.

On Tuesday Sothebys are selling part of the collection of transfer printed ceramics formed by the late Sir William Mullens. The widest ranging and most important accumulation of its kind to come on the market for some years. It offers a field day to students of the disputed history of transfer printing in England.

We know that the process—involved, broadly speaking, making a print from a copper plate, with special ink on tissue paper, and then transferring it to the ceramic glaze before final firing—originated in the very early 1750s. The several claimants to the invention even include Benjamin Franklin, who wrote a letter to a friend in 1773, "I have reason to apprehend that I might have given the hint on which the improvement was made; for more than 20 years since, I wrote to Dr. Mitchell from America, proposing to him the printing of square tiles for ornamenting chimneys, from copper plates."

The first certain use of transfer printing however was on the exquisite porcelain productions produced during the short opening of the York House Factory, Battersea, between 1753 and 1756. The inspiration of the firm was Stephen Theodore Janssen.

Lord Mayor of London in 1754 and heir to the heronetry of his father, a rich City merchant. The idea was apparently brought to him by two Irishmen, the erratic John Brooks and a deliberate manufacturer of Dublin, Henry Delamain. Three went into partnership; and the printed enamels they produced with the collaboration of the engraver, Simon-Francois Ravenet and James Gwilm, were never to be



Battersea portrait plaque of the Duke of Cumberland printed in gold.

deterred in design or execution. Quality did not save the firm from bankruptcy, however, and between February and June, 1756, Janssen's effects were sold. This was clearly the opportunity for other manufacturers to lay hands on the Battersea equipment, materials, workmen, and secrets. Is it a coincidence that only a matter of weeks after the last Janssen sale we find John Sadler and Guy Green of Liverpool publishing, with advertisements, the news that they "did within the space of six hours... print upwards of twelve hundred earthenware tiles of different patterns"?

Their further claim that "these depots... print upwards of seven years in finding out the method of printing tiles, and in making trials and experiments for that purpose... does not ring entirely true. But whether they had in reality discovered the process for themselves, or had simply lifted the Battersea secrets, they deserve full credit for the vigour of their products. Anthony Ray (English Delftware Tiles, 1973) has catalogued more than 300 different pictorial tile designs, providing a wonderful gallery of Georgian life, times and tastes.

One of the many mysteries of transfer printing is whether Battersea, the one of the most distinguished and most distinguished in

gravers to apply transfer designs to porcelain, noted at Worcester, was himself an employee of Battersea. Certainly there is a frustrating gap in his career between the end of his apprenticeship in 1753 and his emergence at Worcester, with one of the most popular designs of the 18th century—a fine portrait of King of Prussia.

Transfer printing on pottery and porcelain continued (ably in the popular blue-white table wares of the eighteenth century), and continues to this day. A Battersea founder, an enamel trade continued in London, Birmingham, Staffordshire. Recent research has produced fierce controversies as to whether Battersea stock and tradition went to London or Birmingham after 1756. As this indicates identification of enamels often very uncertain, which why, for generations, deal have been confidently attributing to Battersea more enamels than that short-lived fact could have turned out a hundred years.

The fact that transfer wares were, so to speak, "multiple tends to benefit the modest collector. Parly because of the sheer quantities in which they were produced, the low Sadler and Green tiles can be found at prices between £50 and £50.

In the case of English enamels—still as a whole undervalued—the transfer printed examples tend to be more costly than the plain and have the additional advantage that you are unlikely to run up against the 18th-century fakes, which seem to have been exclusively of the painted type. The Sothebys' sale includes some splendid examples of little printed plaques which were among the finest products of Battersea. Especially notable are two variations of a well-known portrait of the Duke of Cumberland—one printed in gold; the other, still rarer, in black. The signature on the plate is that of Simon-Francois Ravenet.

Simon-Francois Ravenet's contribution extended to porcelain enamels also; and the high prices in the sale (which nothing is estimated at more than £500) are likely to be realised by some acquirers. Bilston, Landsdowne, and a group of boxes decorated with striking topical subjects as the Battle of Kunersdorf, a fine portrait of Frederick the Great.

One of the many mysteries of transfer printing is whether Battersea, the one of the most distinguished and most distinguished in

PAMELA JUDGE

## Bridge Verdict is up to you

TWO DEALS that occurred in recent sessions of rubber Bridge appealed to me, so I pass them on. I will tell you how I played them, what happened, and leave the verdict to you. Here is the first:

N  
♦ J 7 6 5 4  
♥ A Q 7 2  
♦ K 4 3  
♠ 10  
W E  
♦ K 8 4 ♥ A 2  
♦ J 10 9 6 5 3  
♦ 8 7 5 2 ♠ A 6  
♦ A Q J 7 4 ♠ 6 5 2

My partner and I had won one game when I dealt in the South seat and bid one spade. Don't turn up your nose at my opening—no good player would pass on these cards. West doubled which leaves something to be desired, and my partner bid two no trumps, a conventional bid which announcing a good raise to three spades. As a matter of

fact, she is too strong for this—she should bid an immediate four spades. As it was, East hid four hearts, and my four spades brought the auction to a close.

First, let me tell what happened. When West led the King of hearts, I won and led a trump. East took, cashed the diamond Ace, put West in with a club, and ruffed the diamond return to put me one down. Before you say, What a player! Why didn't you employ the Scissors coup by playing a club or trick two to cut the lines of communication? Let me assure you that I gave serious consideration to this coup, but decided against it. If trumps are divided 1-1, with West holding the Ace, it is the only way to lose the contract. West might well have ♠ A, ♥ K 8 4, ♦ A 6 7 5 3, ♣ J 7 4, and the club lead lost at once.

No. East has to hold specifically both trumps and the single-ton Ace of diamonds to make the Scissors coup the winning line. My normal practice, when bid announcing a good raise to three spades, as a matter of

prefer the complex to the simple, but on this occasion I felt the Scissors coup was against the odds.

My next example, an untried off-the-cuff play, was successful:

N  
♦ A J 5 4  
♥ K 5 2  
♦ 6 7 3  
♠ 9 8 7  
W E  
♦ 8 2 ♥ A 9 7  
♦ Q 10 8 3 ♠ Q 7 6  
♦ Q 10 9 ♥ K 5  
♦ Q 4 2 ♠ A K J 10 3

West led the club two, East

the cashed Ace and King, and I ruffed the third club. All depended on picking up the spade Queen, but the trump position was also precarious. I tried to learn some more about the distribution by cashing Ace, King's last heart in hand. East was marked with the diamond King, but not necessarily with the spade Queen.

I decided to play an unusual type of enlay on the assumption that East had the King of trumps doubled. I cashed the trump Ace, and led another trump which gave East the lead. She returned the club Knave—now I knew her pattern was 3-3-5, so the odds were in favour of her holding the spade Queen. West naively threw a spade.

This meant that I had no worries when, after cashing dummy's Ace of spades, I fished the ten in hand. West could win with the trump Queen when she pleased.

E. P. C. COTTER



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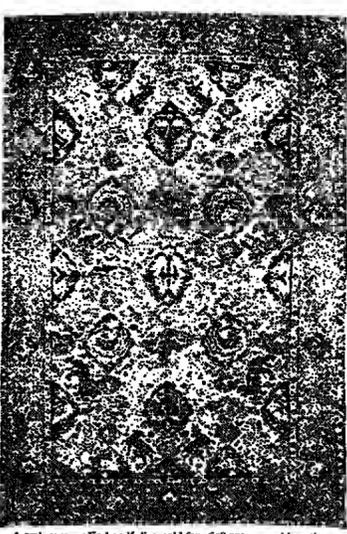
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The closing date for the consignment of property for the next specialised series of Islamic Sales, which will take place from 2nd to 6th May, is 4th March 1977.

For further information about these sales telephone or write to Jeremy Cooper.

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Shakudo tsuba decorated with a three-masted Dutch warship, signed Muneaki, 19th century

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The European ships, known as nambansen, which first entered Japanese waters in the second half of the sixteenth century soon became a popular subject for the Japanese artist, frequently appearing on the large painted folding screens of the period.

The traders and missionaries who arrived in them were called, rather unkindly, nambanjo or "southern barbarians" and not only screens but lacquer boxes, metal sword-fittings and Imari porcelain utensils were decorated with genre pictures representing foreigners, foreign vessels, Christian churches and world maps. Their popularity during the late sixteenth and early seventeenth century declined after Kan'ei period (1624-44) when the policy of national isolation left only the exotic port of Nagasaki open to foreign trade. Namban subjects in art were revived in the nineteenth century although the ships and costumes of the Europeans were still of seventeenth century design.

For further information on the sale of Japanese Swords and Sword-Fittings please contact Mr. W. Tilly at the address above.

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<b>Clocks &amp; Objects of Art</b> Christopher Hawking	Quality and those items which made the running in 1976. Metalwork. Carriage lamps to original condition.	Under £500: English & French 19th Century clocks. Pewter. £500-£2000: Bracket & longcase clocks. Good bronzes, wood carvings.	A smaller bronze, signed by P. Lemaire £280.
<b>Carpets, Rugs, etc.</b> James Pettifer	Turkish and Asia Minor rugs. Saddlebags and tent hangings.	Under £500: Caucasian rungs, smaller rugs and saddlebags. £500-£2000: Persian.	A 19th Century Uzbekian tent hanging £400.
<b>Silver, Gold and Plate</b> Eric Smith	Good Victorian silver. Vase/gretchen. Sheffield & electroplate.	Under £500: Small, good Georgian silver. Boxes, spoons. Plate. £500-£2000: 18th Century Continental silver. Flatware, candlesticks.	A pair of Old Sheffield Plate candlesticks £150 & water jug £90.
<b>Jewellery, Watches, etc.</b> Stuart Betts	Diamond solitaire rings of fine quality which are becoming rarer. Oriental pearls of Persian Gulf origin.	Under £500: Good gold bracelets. Victorian and Edwardian small diamonds brooches. Good Victorian lever watches. £500-£2000: Good diamond rings. Fabergé. £2000 plus: Anything of rare stones, such as alexandrites. Later 19th and early 20th Century repeating watches and pocket chronometers.	A solitaire brilliant cut diamond ring, approx. 4.2cts. £6,800.
<b>Ceramics &amp; Glass</b> Jo Marshall	Pretty, small items in English porcelain.	Under £500: Pickle dishes, basters, miniatures. English blue and white. 18th Century Continental figures. Good early 18th Century baluster glasses. £500-£2000: Good quality Worcester, Minton and Coalport vases by artists of repute. Finely engraved commemorative glasses. £2000 plus: Cameo glass.	A pair of First Period Worcester figures of Turks £2,300.
<b>Oriental Works of Art &amp; Ceramics</b> Nicholas Hilder	Middle Eastern art. Ming and 17th Century bronze.	Under £500: Ivory. £500-£2000: Oriental swords & sword fittings. £2000 plus: Fine Netsuke.	A Ming gold spashed bronze censer (Ting) £360.
<b>Paintings, Watercolours, Prints</b> Andrew Bowyer	Sustained development in Old Masters. Prints: Mezzotints and stipple engravings.	Under £500: Old drawings and prints. Good modern British is underpriced. Wide choice of prints. £500-£2000: Old pictures and drawings. Fine 18th Century engravings. £2000: Old Masters.	Caravaggio's Santa Cecilia: The Assumption £2,200.
<b>Books, Textiles, Art Nouveau &amp; Deco, &amp; Other Collectors' Items</b> Keith Baker	Old photographs. Press and Chippur Art Deco figures. Good quality violin bows.	Under £500: Victorian cookery books. Gallé glass. Metal toys. £500-£2000: Good travel and exploration books. Art Deco bronze and ivory figures and Art Nouveau jewellery.	A Prelo figure: "Breasting the Tape" £3,700.

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HOME NEWS

New Esso step for Scottish ethylene plant

BY RHYS DAVID, CHEMICALS CORRESPONDENT

ESSO CHEMICALS yesterday moved a stage further towards building an ethylene plant in Scotland with the announcement that it would soon be seeking planning permission for the project. The plant, which is likely to be in the 500,000 tonnes a year range and costing more than £300m, will be located next to a natural gas liquids plant at Mossmorran, Fife, which Shell is hoping to build. Esso stressed that a final decision on the project had yet to be taken by the parent Exxon Board in the U.S. An announcement is expected within a matter of days, however, that preliminary studies had indicated the feasibility of the project, and the U.K. Board would now appear to be anxious to see it go ahead. The company's decision to seek outline planning permission, somewhat ahead of its original timetable, is in response to pressure from the authorities in Scotland who would like to see the two major Mossmorran projects—the natural gas liquids separation plant and the associated cracker—subject to the same overall inquiry.

Tobacco sales fell last year

By Stuart Alexander

SALES OF cigarettes, cigars, cigarillos, pipe tobaccos and snuff all declined last year compared with 1975. Only hand-rolled tobacco showed a slight increase. Although the number of filter-tip cigarettes sold was slightly up as the switch from plain cigarettes continued, the weight of tobacco used in them fell, according to figures from the Tobacco Advisory Committee. With filter-tip cigarettes accounting for about 88 per cent of the U.K. market, although the overall decline in the total number of cigarettes sold was only 1.5 per cent, the decline in weight was 3.5 per cent. Sales of pipe tobacco were only slightly down at 11m. lbs compared with 11.1m. lbs. Hand-rolled tobacco sales rose from 14.2m. pounds to 14.4m. pounds as some people looked for a cheaper way of smoking despite cigarette price cuts. Snuff sales fell 25 per cent to 300,000 pounds. Cigar sales fell 3.5 per cent, with sales of cigarillos cut by one third. Carreras Rothmans yesterday cut the prices of the Piccadilly range of cigarettes by 3p a packet. This will make the king size 46p for 20 and the standard size filter and mild versions 45p a packet. The company said the quality would be unchanged. These were not promotional cuts but genuine price reductions made because of the enormous increase in sales of our king size products.



Mrs. Shirley Williams, Education Secretary, makes her way through a crowd of shouting demonstrators outside Newcastle Civic Centre. The 250 protesters were opposing cuts in education spending. Later Mrs. Williams met a delegation from the protesters — mostly students, teachers and public employees.

Educational reform 'obstructed' by lack of communication

BY MICHAEL DIXON IN NEWCASTLE

THE FAILURE of employers and educators to communicate with each other was evidently the greatest obstacle to educational reform, Mrs. Shirley Williams, Secretary for Education, said after the first of the Government's eight regional conferences yesterday. While she was pleased with the debate between teachers, parents, students and other interested parties, she was depressed by the "dialogue of the nearly deaf" when the ideas of employers were raised. The aim of the conferences is to overcome the mismatch between schools and working life. The industrialists and the educators said they wanted, Mrs. Williams declared, made them seem disturbingly alien to one another. There was "a beak of a lot of work to be done" on this vital problem. Nevertheless, not all the teachers present were hostile to business companies' interests. When Mr. Roy Jessock of the TUC attacked employers for being niggardly about releasing young workers for further education, a polytechnic lecturer hit back with a comment that, if the TUC wanted industry to give greater regard to education, the trade unions should start trying to help companies to make higher profits. The final speech contributed by an industrialist from the floor aroused ridicule among the educators when he seemed to assert that schools should not over educate children so that they would be dissatisfied with their work.

The education-employment gap excepted. Mrs. Williams was clearly encouraged by the outcome of the conference. Several points had emerged which were fresh to her, she said. One example was a disclosure that schoolchildren on average watch 25 hours of television a week, rather more hours than a 12-year-old spends in school.

Brighter

On the brighter side, she listed the idea of community councils to reduce the variances between individual schools' curricula and teaching methods, and regular meetings between the staff of secondary schools and the primary schools which feed them with pupils. The Minister also felt that the conference had shown general agreement on the need for some kind of core curriculum of basic studies on the dangers of too early academic specialisation, and on the need for a system of testing schools' performance, though not for publishing comparative results.

Plan for motorway through Peak District scrapped

BY IAN HARGREAVES

THERE WILL be no Manchester-Sheffield motorway across the Peak District National Park, Mr. William Rodgers, the Transport Secretary, announced yesterday. Mr. Ken Childs of the Manchester Transport Group, said he was not surprised that the Department of Transport had changed its mind on the road, which would serve as a presently carrying only one vehicle a day—only a level required by a new pavement in justify a new pavement. No official figure has been on the cost of the motorway, it is unlikely that a 20-mile stretch over very difficult country could have been for less than £100m.

Engineering employers urge Healey to cut tax

BY OUR INDUSTRIAL STAFF

THE ENGINEERING Employers Federation yesterday added its voice to those urging the Chancellor of the Exchequer to reduce personal taxation. The federation said in its Budget submission to Mr. Healey: "The disincentive of compressed differentials, combined with penal progressive personal taxation, is seriously handicapping industrial recovery, particularly in the engineering industry. Promotion is often avoided and skilled labour and management are increasingly seeking jobs abroad. Severe shortages of skilled labour are arising already and these will become more evident as demand increases. Unless the personal incentive to work is restored, the engineering industry cannot contribute to Britain's economic recovery." The federation suggests the burden of personal taxation should be reduced at all by raising tax bands substantially and by eliminating higher rates. These measures should be added to and independent of any reached with the TUC on Stage Three incomes policy. The federation urged the Government to contain Government spending in the Budget, particularly revenue expenditure, to the incentive to invest in the supply of money. It wants tax relief on appreciation continued and tax liabilities incurred since beginning of the scheme cancelled. The federation pointed that the U.K. relied on the engineering industry for more 50 per cent of manufactured exports. "If engineering makes its maximum contribution it needs an economy in which the confidence of the industry has the confidence of the finance with which to do so."

British Rail parcel charges to rise 15% in March

BY IAN HARGREAVES, INDUSTRIAL STAFF

BRITISH RAIL parcel charges will rise an average 15 per cent on March 27. This is the third increase within 18 months. Price Commission approval has been received for the increases. Post Office parcels lost £42.5m, which will apply to general parcels services sent to the Red Star premium system. There were two increases last year, each of 12.5 per cent, but the parcels business lost an estimated £20m. The gravity of the position for the general and industrial parcels services is made clearer when it is noted that the Red Star express service increased volume and made a substantial profit. It is expected that the Post Office will increase its parcel charges by 15-20 per cent this spring, about nine months after the last 13 per cent increase. Post Office parcels lost £42.5m last year. The apparent impossibility of the four State parcel carriers—the Post Office, Rail Parcels, Roadline U.K. and National Carriers—prizing themselves into a break-even position is the subject of talks in Government and industry. But hopes that the transport White Paper in May will produce any hard decisions about rationalisation and amalgamation of the companies involved is diminishing.

Birmingham trip for Callaghan

THE PRIME MINISTER is to visit the BSR works at Credeley Heath, West Midlands, on Monday. The plant makes sound reproduction equipment and has a highly successful export record. After lunch with local Labour Party officials Mr. Callaghan will drive around Small Heath area of Birmingham which has a high immigrant population.

Second reading of Bill for homeless

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A PRIVATE Member's Bill to help the homeless by placing the limited duty on local legal obligation on local housing authorities to provide temporary accommodation for the homeless in urgent need and replaces it with a duty on local housing authorities to provide, secure or help secure accommodation for the homeless or those threatened with homelessness. Mr. Ross pointed out that in 1974 the Government asked housing authorities to take responsibility for helping the homeless; but 40 per cent of them still had not done so. The measure was given a cautious reception by Mr. Hugh Ross, the Tory housing spokesman, who was concerned about the absolute nature of the duty it imposed on housing authorities. He thought it might prove to be a scrounger's charter, although that was not its intention.

Food industry anxious over switch to joules

BY STUART ALEXANDER

A PLEA to put off for two years the "Day of Jouleification" was scheduled for January 1 next year was made in London yesterday. That is the day when, officially, the U.K. is destined to drop the calorie for its European counterpart, the Joule. But Mr. Ted Whybrow, chairman of a food technology conference put a plea by the Caké and Biscuit Alliance, said it would mystify a public which had still not familiarised itself with centigrade in place of Fahrenheit. "Joule is a word completely unknown to the British public," he said. "We think the public needs more time to get used to it, and there should be a dual system for three years or more." The calorie is equal to about 4.18 joules, and as well as being applied to food, it is used to replace other measures such as the British Thermal Unit. In addition to being required to change the printed information on their packaging, the food manufacturers, especially those producing slimming products, fear that consumers will be misled by the switch from calories to joules which deliver more than four times as many joules as calories. Nor would the introduction of the megajoule to cut down the numbers be much help, instead, Mr. Whybrow said, he would like to see a Government-backed information programme with the Metcalorie Board running a series of advertisements in newspapers and magazines. At the same conference, Professor Asher Winearner, chief economist and deputy director general of the National Farmers' Union, said that Britain was the least self-sufficient of all the EEC and developed countries in meeting its food needs from home resources. This economic vulnerability had been accentuated in the past two years when, as a result of adverse weather conditions and maladjustments in the Government's farm policy, British agricultural output had declined by 19 per cent.

Verdict held on Chapman, Rowe

FINANCIAL TIMES REPORTER

DECISIONS WILL be given on Monday by Guildhall justices in the case of Chapman and Rowe, the stockbroking firm hampered in 1974, with an estimated £1.4m. deficiency. Legal submissions occupied the court yesterday after evidence had been completed. The justices, who had originally hoped to complete the case last night, then adjourned. Eight leading members of the firm are accused of stealing clients' shares, conspiring to defraud, and giving false information to the Stock Exchange over the firm's affairs between 1973-74. The crown is asking for 74 months in the Old Bailey.

OBITUARY

Sir Brian Mountain

SIR BRIAN Mountain, president of Eagle Star Insurance and for many years one of the most colourful personalities in both the city and racing, has died aged 77. Sir Brian was chairman of Eagle Star, the group founded by his father, for 26 years until 1974. He combined a forceful character with a close family connection with the group and was often seen as having as much the aura of a 19th century businessman as that of one in the late 20th century. He served in both world wars and was a director of many companies. After giving up the chairmanship of Eagle Star and becoming its president he remained on the Boards of a number of the group's overseas subsidiaries, which he often visited. Sir Brian was on the council of the Racehorse Owners Association and was chairman of United Racecourses, which owns the Epsom, Sandown and Kempton Park racecourses. He was the second baronet. The title passes to his son, Mr. Denis Mountain, the present chairman of Eagle Star.

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(Henry VIII, WILLIAM SHAKESPEARE 1564-1616)



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Table with columns: Age next birthday, Pension, Standard, and Pension. Rows for ages 27, 28, 29, 30, 31, 32, 33.

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OVERSEAS NEWS

J.K. and U.S. seek formula for new Rhodesian talks

BRIDGET BLOOM, AFRICA CORRESPONDENT
POSSIBILITY of a negotiation between Ian Smith and Rhodesian African nationalist...

J.K. doubts Uganda claim, seeks inquiry

OUR FOREIGN STAFF
IN HAS added its voice to the debate of Angli...

EC grants licences Soviet trawlers

ROPEAN Community topped the Soviet Union's...

EC grants licences Soviet trawlers

BRUSSELS, Feb. 18
were 40 vessels in the EEC 200...

Leone, Liberia link

SPECIAL CORRESPONDENT
LEONE and Liberia are their way to fusing their...

Peace arrives in Amman

OUR FOREIGN STAFF
RUS VANCE, the U.S. Mr. Vance and Lebanese officials...

Spain legalises seven parties

MADRID, Feb. 18
main Socialist Party have until late March to give...

Confusion on W. German protest

By Nicholas Colchester
BONN, Feb. 18

THE NERVOUS tension surrounding the West German anti-atomic power demonstration...

Left-wing extremists shoot Fiat men

BY PAUL BETTS
ROME, Feb. 18

TWO senior Fiat executives have been shot and badly wounded in the past 24 hours in a new wave of political violence in Italy...

Judge says U.S. offshore oil leases invalid

BY JAY PALMER
NEW YORK, Feb. 18

THE POWERFUL U.S. environmentalist lobby won a major victory late yesterday when a Federal district judge in Brooklyn declared "null and void" the sale last autumn of 93 mid-Atlantic oil and gas lease tracts...

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LSE: another trial run for Far Left machinations

By MICHAEL DIXON, Education Correspondent

Inflation and markets

THE MARKETS—sterling, gilt-edged, equities—tumbled sharply at the beginning of the week because of trade union rumblings of protest about the continuation of voluntary wage restraint and because of disappointment with the January trade figures.

Sterling was markedly weaker on Monday even before the trade figures were published, and largely because of reports that more and more groups of workers were unwilling to cooperate in another round of wage restraint.

But the trade figures were undoubtedly disappointing, even given the fact that the exceptionally good figures of December were unlikely to be repeated: the visible deficit rose from £215m. to a record figure of £345m., largely because of a very sharp rise in imports.

Letters to the Editor

From Mr. J. Wright. Sir—The article by James Bartholomew (February 12) raises some interesting points about chartist indicators and the conclusions drawn from them on the level of the stock market.

Volume. The fact that volume has been greater on days when the market has risen than on days when it has fallen does not indicate that a rally is likely to continue.

The rise in equities since the October low was taken as a bullish sign because it had exceeded two-thirds of the previous fall. In the context of the increase in volatility in the U.K. market since 1973 this does not appear to be a significant factor.

Shareholders. From Mr. M. Botley. Sir—May 1 supplement Mr.

THE RITUAL of student occupations in the late 1960s normally began with a debate. It was prone to last for six hours or so, and was usually on the question: Why are we occupying this building?

Seven quiet years

Having had seven comparatively quiet years to consider this basic process, the London School of Economics and Political Science (my italics) might have been expected to have worked out some means of frustrating it.

Earnings squeeze

Yet retail prices in December were 15.1 per cent up on the year while earnings were 11.8 per cent higher. Real incomes are being squeezed, even before taking into account the effect of progressive income tax, and this goes a long way towards explaining the stagnation of retail sales and the reluctance of many workers to consider the fresh stage of restraint which Ministers have made it clear they regard as essential.

The best news of the week, in fact, comes from the monetary front, where heavy sales of gilt-edged by the Bank of England have reduced the growth of the money supply to a rate well within the target set for the financial year. A somewhat easier monetary policy can now be looked for. No new tax stocks have been issued, and the fall in money market rates has gone far enough to cut their base rates by a full 1 per cent.

Indicators

From Mr. J. Wright. Sir—The article by James Bartholomew (February 12) raises some interesting points about chartist indicators and the conclusions drawn from them on the level of the stock market.

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Shareholders. From Mr. M. Botley. Sir—May 1 supplement Mr.

the Government reckons should save British taxpayers about £28m net. Indeed Professor Raif Dahrendorf, director of the London School of Economics, has publicly condemned them as indefensible. He complained particularly of the method by which the Government has introduced them.

In practice the institutions have virtually no choice but to follow the recommendation. If they do not, they will lose the amount represented by the increases—in the LSE's case, estimates vary between £850,000 and £1.6m.—from their normal fixed cost for years ahead. It is this effect of the increase which mainly accounts for the united opposition of the university authorities.

Overseas growth

The overseas contingent has grown from 31,000 in 1967-68 to an estimated 50,000 and applications from abroad for next year's university courses seem to be up again by more than 10 per cent—in spite of the pending increase of fees.

But with all due respect to the LSE director, this smacks of special pleading. The Government could not have imposed the increases openly on the universities without equally openly destroying the tradition of university autonomy, something the institutions would have disliked far more than the new fees.

is this effect of the increase which mainly accounts for the united opposition of the university authorities. That raises the question of how, if both the students and the authorities are firmly opposed to the new fees, they come to be in severe dispute about the matter, as they are at the LSE for instance. The answer looks like a rerun of the sorry tales of the late 1960s, including the classic signature of the Ultra Left, in spite of the gap of two complete undergraduate "generations" the extreme Socialists evidently inherited their 1968 trouncing of the LSE Student Union's general assemblies, at which there is not enough room for more than about 700, and which almost traditionally are not attended by the older

students at the LSE are post-graduates, and about 31 per cent are from overseas, the LSE will suffer under the increases more than most institutions. Beyond question, however, the increase will have one important general effect: it will raise that proportion of the income of the educational institutions which is dependent on the number of students they are able to enrol. The LSE will hit particularly hard in this case because the rise will be from about 12 to more than 30 per cent. Whatever the potential benefit from the extra sensitivity to the market, it will certainly make life more uncertain and uncomfortable for the universities, whose academic salaries largely represent a fixed cost for years ahead. It was obviously impossible

of the students' and the authorities' views on the fees had reached a deadlock between them. Last Monday the backlog administrative work was mounting—some of it, ironically, carried with adding hard-pressed foreign students. So the Professor and the LSE's standing committee of governors resolved to give the students until Thursday to end the occupation. After that, the director suggested the school would go for a High Court injunction, including them from the administrative building. The students responded with a 700-student meeting which voted four-to-one to continue the occupation, and were still in residence when the ultimatum expired. Many people would criticise the LSE authorities for failing to act there and then, and there was still a day and a night before the weekend break, they did not—writing until night before—even reveal their intentions—and the persistence of the 1968-69 experience suggests that they were to be cautious. Given peculiar circumstances of LSE which enable a minority extremists to manipulate students' assemblies, the non-processes of law can all easily create worse problems than they solve.

Academic staff

The previous pattern continued with the Far Left vote yesterday. The threatened injunction summarily in the hope police would be called in to enforce it. If they were, authorities would very probably lose the support and the instances gain the enmity of numerous academic staff, cause the calling in of police, and the loss of many new opportunities for escalation in the dispute.

It is to be hoped of course that the action finally led on by Professor Dahrendorf and his governors will restore the general peace, even if it does not. The situation has little chance of settling for long either at LSE or at the other institutions including Essex University, which militancy has spread. There is one obstacle extended rebellion in universities and polytechnics which Far Left has never yet come: the summer term negotiations. Even when extremists have succeeded in continuing revolt beyond traditional Lent term days and through the holiday, their essential success among the less committed dwindled and died with approach of the exams.



Students at the LSE sit-in.

Perhaps the bravest man I ever knew

SIX-FOOT-FOUR SERGEANT "Tiny" G\*rric, DCM, was perhaps the bravest man I ever knew. But now, after seeing service in Aden, after being booby-killed and ambushed again more recently, Sergeant "Tiny" cannot but turn a corner. For fear of what is on the other side.

It is the bravest man and woman from the Services who suffer most mental breakdown. For they have tried, each one of them, to give us much more, than they could in the service of our Country. We look after these brave men and women. We help them at home, in hospital. We run our own Convalescent Home. For some, we get work in a sheltered industry, so that they can live without aid. For others, there is our Veterans' Home where they can see out their days in peace. These men and women have given their minds to their Country. They are to help them, we must have funds. Do please help us with a donation to help them, we must have funds. The debt is owed by all of us. "They've given more than they could—please give as much as you can."

EX-SERVICES MENTAL WELFARE SOCIETY 37 Thurloe Street, London SW7 2LL. 01-584 8688

on the National Consumer Council's evidence to the Royal Commission on the Distribution of Income and Wealth (Lombard, February 16). Anthony Harris suggests that the fact that poorer consumers get worse value for their money than richer ones has few practical implications and requires no measurement.

Phase Three

Sir—Lest we forget, the current incomes policy restricts pay rises to 3 per cent or £4.00 per week—whichever is the smaller. Might I suggest that our political masters would improve their prospects of success in negotiating Phase 3 if they could recall the history as influenced by the conflict between Government policies on housing and on pay restraint?

The unexpected record increase in mortgage rate last November added £3.00 per week to the repayments of a £10,000 loan and simultaneously diminished the prospects of a "Merry Christmas" for many householders. The gloom of the festive season was further deepened with warnings of an unbelievable further increase and owner occupiers could perhaps be forgiven for thinking that the traditional greeting of "Prosperous New Year" sounded like the punch line of a sick joke.

Meantime and by contrast Father Christmas in the guise of central Government produced a December announcement recommending that council house rents be restricted to an average increase of a mere 60p per week. Yet more than half the houses in this country are privately owned. All of the owners are restrained by pay policy and many of them are union members. It would seem a reasonable assumption that the greater the mortgage on these houses the larger the occupiers' income.

It is just a coincidence that the recent resistance to a renewal of the pay code was led by the car workers who must be among the highest paid group of workers in the country? R. G. I. White, 180, High Street North, Dunstable, Beds.

Computers

From The Joint Managing Directors of the Kienzle Data Systems. Sir—I was interested to read Mr. David Fishlock's article (February 15) on the problems of computer audit. His quote from the recent study carried out by the Stanford Research Institute has a ring of truth—to the point of being a truism. More distinction should be made between "audit" that is the checking of accuracy and accounting logic of data in computer systems, and "security" that is the minimisation of the possibility of fraud or loss of data. The former is problem enough, particularly in large-scale systems where data is stored in non-visible fashion. The study seems to deal with only systems of this kind: how

ever, there are many computer systems available where the transparency of the system is still of a very high order and where auditors find no more difficulty than with any other mechanical accounting system.

The security problem appears to be much the greater. It seems to me that the only solution lies in the professional accountant being involved in systems design, that is to say he must be involved in the accounting logic and common sense of the system as it is being designed, not after the event. But in my opinion we are two or three accountants' generations away from this! Until then computer users must continue to rely on the professionalism and the integrity of the computer industry. Emlyn Evans, 224, Bath Road, Slough, Berks.

Diversion

From the Financial Director, East Midlands Finance Company. Sir—Although I have not read the Bullock report I have heard so read much about it. From this I gather that the gist of the report is that industrial democracy (?) should be introduced thus stimulating industry so that the land once more flows with milk and honey. If this is the case then the sooner this dream is shattered the better.

Your correspondent Mr. Brooke (February 9) arguing in favour of the report states that Bullock will add responsibility to the power already possessed by the unions. But surely the unions are responsible to their members. If, as Mr. Brooke suggests, they are not acting responsibly now, how will Bullock help? What really is needed is a little common sense. Just listen to the twitting of the CBI, TUC and our middle-class politicians if you doubt that. Unfortunately legislation cannot remedy this and we would, therefore, be better employed facing up to the situation rather than seeking easy but false solutions. A start could be made by the harrying of the Bullock report, for it has already diverted our attentions from reality for too long. W. E. Lyon, 1, Wroth on Wygate, Spalding, Lincs.

مكتبات العدل

Britain's efforts to exploit 'benign and renewable' energy sources underline the high engineering costs involved. David Fishlock reports

# Cost-conscious approach to solar energy

URBANE Australian bulldog who spoke English badly, in London this week the amazing thing about solar energy is that it should work at all, not that it should work well. He had been examining one of the new U.S. energy problems, Mr. Leach, who said that solar energy has nothing to offer his country's alarmingly fast-growing dependence on energy. "It is much less than the cold problems this winter," he said. "It is politically popular so giving the sun top billing in the research programme. It is energy he knows is a job won but it is politically unpopular in some quarters, so says it down in the programme. It has begun to follow a policy, albeit with a discriminating approach to funding of solar energy. It has turned down solar schemes on which the Government has been most lavishly, namely for harnessing solar energy to central electricity generation. It now looks very doubtful, even in such countries as Britain, as for keeping sunbeams on boilers, or for transferring them into electricity. Solar cells, will eventually, in spite of the fact that energy input is free. Its latest solar energy programme the Department of Energy has elected upon ideas the solar panels have been assured already 'here and now' are ideas for heating the hot-water heating and heating—and so cutting household energy bills. As a correspondent, Mr. Rayns, of Imperial College, wrote during an exchange of correspondence on solar heating in the Financial Times last week: "Like the performing



Solar panels on new houses at Forestdale, Surrey.

price of solar collecting panels is the basic requirement of any solar heating system—at least three times the high. (For comparison, solar cells are at least 50 times too expensive.) It will cost about £500-£600 at present to equip a semi-detached house efficiently with a hot-water supply at only 55-60 degrees C. At this price it is a better investment than on other surfaces. Dr. Marshall—a fervent believer in the type of development contract in which industry shares with Government the costs and the risks—has been searching for industrial partners with good ideas for mass-producing solar panels. He is beginning to look like some very sophisticated engineering systems. The first sight of solar space heating is a very attractive proposition nationally. Over 17 per cent of primary U.K. energy demand is consumed for space heating. Against this, of course, must be set the fact that peak demand for space heating, in winter, is out of phase with the sun. Widespread use of solar heating would only increase the disparity between summer and winter demand for other energy sources, such as electricity.

department has also earmarked another £800,000 for work in a year or two's time in assessing their efforts. So plenty is left for other industrial aspirants. Some of these are companies interested only in solar panels. But some are interested in the technically more challenging prospect of solar space heating for homes, where the solar panel is only one of several essential components of what is beginning to look like some very sophisticated engineering systems. The first sight of solar space heating is a very attractive proposition nationally. Over 17 per cent of primary U.K. energy demand is consumed for space heating. Against this, of course, must be set the fact that peak demand for space heating, in winter, is out of phase with the sun. Widespread use of solar heating would only increase the disparity between summer and winter demand for other energy sources, such as electricity.

washbasins and sinks. The other two types, more difficult to engineer, are the "solar energy house," which incorporates about 20 square metres of solar panels; and the "heat pump house," which will use two electrically-driven heat pumps and liquefied petroleum gas as a boosting fuel. The plan, says Dr. Leach, is not to occupy the houses—which would leave the researchers too much at the mercy of the idiosyncrasies of their tenants—but to run them in a planned way, as though they were occupied. Thus they will be able to operate them both to typical and extreme patterns of use. The data from these experimental houses will supplement that being gathered already in field studies of ways in which people use houses. To take a simple but surprisingly significant example, solar heating will find it much harder to cope with a family that takes its bath at night than one that usually bathes in the morning. So far the Department of Energy, very shrewdly, has committed itself to only two of the many different possibilities paraded by enthusiasts for this "benign and renewable" energy source. The other, to which it committed £1m, last spring, is wavepower. It has promised reports this spring on two further facets, wind power and "biomass," the latter being the collective term for a host of modern agricultural ideas, from cultivating crops specifically chosen for their energy or petrochemical content to the factor fermentation of food. Most solar enthusiasts make the mistake of thinking of sunshine as free energy, overlooking the fact that the capital outlay and maintenance costs can soon nullify the fact that the energy is free. As Sir George Porter, one of Britain's foremost enthusiasts for solar energy, has pointed out, the materials available to those who would try to exploit some well-publicised ways of using solar energy seem to be limited to old newspapers or leaves. Perhaps the supreme attraction of the "biomass" approach to solar energy is that such systems will be self-repairing. Sir George Porter even dreams of an "artificial leaf"—a sun-trap in the form of a photosensitive chemical or organic substance that turns sunlight into some other form of energy. Unfortunately not even he has any serious idea yet how it might be done.



Dr. Walter Marshall, chief scientist at the Department of Energy: £3.6m. to spend.

## LABOUR NEWS

### Post Office confirms worker director plan

CHRISTIAN TYLER, LABOUR STAFF  
POST OFFICE and trade for the idea of worker-directors representing its £20,000,000 but also for the Bullock proposals for private industry, which it closely follows. A joint statement yesterday agreed that union direct- ing of the month. As time, it means that the would be expanded from a union of 13 to 17 seats. Six would report back to their constituents. They would not be elected, six for senior trade officials nominated by the and four for independent workers who would be chosen from a list of names put by the Minister. Discussions on regional and local level participation are not yet far advanced.

### Open date urged on pay deal

By Our Labour Staff  
LEADERS of 46,000 Merchant Navy officers who are due for a pay rise on June 1 under the present 5 per cent. earnings limit yesterday told the union start and have under- consider the necessary work legislation this session. While the future of incomes settlement is seen as a policy after July 31 remains uncertain.

### vertime ban threatens delay phone bills

DAVID CHURCHILL, LABOUR STAFF  
S IN preparing telephone suggested gradual reductions of for private subscribers premium payments to shift result from industrial workers. The union wants the starting-to-morrow night shift allowances to continue until Post Office data process- ers. vers of the Civil and Services Association, they ming all overtime and com- with management in a proposed loss of shift s by some 800 colleagues. cing new telephone s and switching exist- ing to a new computer would almost immedi- ately, the union claimed ght. But a Post Office ght said that getting tele- phis out on time did not on overtime working. hreatened action follows wn of negotiations a union and management sive computer rational- over the next few years ill mean about 700 jobs based out. The present d card system for tele- accounts is gradually nferred to a visual dis- its system. to avoid compulsory ndscale talks 'deadlock'

### MPs approve unions Bill

By Our Labour Staff  
MPs APPROVED a Private Mem- ber's Bill yesterday that would make it harder for unions—and in particular non-TUC staff asso- ciations—to obtain the certi- ficates of independence that confers considerable advantages under labour law. The aim of the Bill, sponsored by Mr. James Lamont, Labour MP for Oldham East, is to toughen the criteria and allow already certified unions to appeal against the granting of a certi- ficate to another union.

### Indscale talks 'deadlock'

OUR LABOUR STAFF  
at national level on a yesterday described the situation as "deadlock". British Nuclear Fuels, which runs the station, is losing electricity sales valued at £14,000 a day to the Central Electricity Generating Board, but customers' electricity supplies have not been affected. Chemical reprocessing has also been shut down. One thing up an claim which with 30 changing-room sta- us. A union leader

## Consumer prices in U.S. up 0.8% during January

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, Feb. 18.

CONSUMER PRICES in the U.S. rose a seasonally adjusted 0.8 per cent last month. This is the steepest increase since July, 1975. The revised calculation might be worse because, as the Labour Department noted today, the index does not reflect the full impact on food prices of the severe winter weather. As a result of the surge in inflation and the industrial lay-offs brought on by the cold weather and natural gas shortages, the real disposable earnings of the average American fell 1.1 per cent in January. This is the worst performance in many months.

The rise in consumer prices was more than double the rate of increase of the last 12 months and was attributable to more expensive food and services. The food price component of the index rose a seasonally adjusted 0.9 per cent. The department pointed out that some prices were calculated on the basis of returns from the first week in January, well before the winter started taking its toll.

Revised. In particular, the full impact of the weather in Florida (frost) and Southern California (drought) on fruit and vegetable prices did not show in the index. The services index also rose an adjusted 0.9 per cent, largely because of increases in property taxes and mortgage interest rates.

## Trustees defend Wilson political office fund

BY RUPERT CORNWELL, LOBBY STAFF

TRUSTEES of the secret fund set up to finance a political staff for Sir Harold Wilson when he was Leader of the Opposition insisted yesterday that the scheme was perfectly proper and not aimed at influencing party policy. The fund, whose existence was not known by the party organisation at Transport House or by the Labour Chief Whip, Mr. Robert Mellish, is believed to have provided up to £24,000 a year to help pay for the staff of six (including three secretaries) that Mr. Wilson mostly maintained between 1970 and 1974.

The five trustees were Lord (Wilfred) Brown, Lord Good- man, Lord Fisher (then Sir Samuel Fisher), Lord Pireneux (then Sir Rnd), Lord Stovring, Sir Ariele L. Hanser, a Swiss banker based in London. They in turn apparently looked after contributions of about £2,000 each from a dozen wealthy supporters of Mr. Wilson.

Chairman Lord Brown, the first chair- man of the fund, was chairman of the Glacier Metal Company before holding the post of Minister of State at the Board of Trade between 1965-70. He said yesterday that the fund's backers all supported Mr. Wilson's brand of Socialism. "I cannot see what all the

## TO-DAY—Labour Party right wingers meet to rally support for Government, Central Hall, Westminster

MONDAY—Leaders of Bakers Union meeting to determine strike strategy. Coal Industry Bill second reading in the House of Commons. Transport and General Workers' Union ballot begins for successor to Mr. Jack Jones. Meeting of Royal Commission on the Distribution of Income and Wealth. Mr. John Silkin, Agriculture Minister, opens fourth session of UN Food and Agriculture Organisation inter-governmental group on tea. At former United Services Club, London, Mr. Gordon Richardson, Governor

## Economic Diary

of the Bank of England, and Mr. Christopher Clapham, executive director of the Bank's overseas operations, continue talks in Saudi Arabia. Preliminary estimate of gross domestic product based on output data (4th quarter). TUESDAY—Unemployment figures and unfilled vacancies (Feb. prov.). Devolution Bill timetable motion debate in the Commons. WEDNESDAY—Meeting of TUC general council. Labour Party national executive meets. House of Lords debates Bullock Report. Two-day Financial Times conference on the future

and distributors' stocks (4th quarter prov.). Capital expenditure by manufacturing, distributive and service industries (4th quarter prov.). Car and commercial vehicle production (Jan.-June). THURSDAY—City of London and Westminster South Parliamentary by-election. Mr. Len Murray, TUC general secretary, at Bullock Report conference, Cumberland Hotel, W.I. Meeting of NATO Ministers opens in Brussels. New regulation dealing with compulsory insurance against oil pollution comes into operation. CBI industrial relations and wages and conditions committee meets. Energy Trends publication. New construction orders (Dec.). Manufacturers

# GRESHAM LIFE GILT BOND

The Bond is a single-premium life insurance policy linked to the Gresham Life Gilt Fund, a unit-expressed fund of the Gresham Life Assurance Society Limited, a member of the Rothschild group of companies. The investment manager is N. M. Rothschild Asset Management Limited which manages substantial funds for institutional and other investors. Rothschild management Gilt-edged securities offer an income which is both secure and historically high. There is, therefore, a case for investors to hold part of their portfolio in this type of investment. The Gresham Life Gilt Bond provides life assurance and participation in a portfolio of gilt-edged securities with the benefit of the investment skill and experience of Rothschild. Investment policy The Manager's aim will be to increase the value of your investment by reinvesting the current high income obtainable in the gilt-edged market and by taking advantage of opportunities for capital growth if interest rates fall. The Manager will move out of the market when a short-term rise in interest rates is foreseen and re-invest when a fall seems probable. When the Fund is not fully invested, money will be held on deposit or in short-term instruments. You should realise that the price of units can fall as well as rise, particularly over the short term. However, the investment manager believes that continuous supervision combined with an active investment policy offers a reasonable prospect of growth without undue risk. Life Assurance protection Your Bond provides valuable life assurance cover which becomes fully effective as soon as the contract is issued. Medical examination is normally required only for investments over £16,000. If you die after the protection is fully effective, the benefit is a multiple of the value of the units at the valuation day following receipt by Gresham Life of evidence of death. For example, at age 40 the benefit is twice the value of your Bond. Withdrawal Plan Interest earned, after tax and expenses, on the investments of the Fund is automatically reinvested to increase the value of your units. However, under the Automatic Withdrawal Plan if you invest £2000 or more you may withdraw 5% of your original investment annually for up to 20 years by cashing in part of your Bond half-yearly. These payments will be free of basic-rate and Capital Gains tax. There may ultimately be some liability to higher-rate tax and investment income surcharge. How to invest Your Bond will be made up of units in the Gresham Life Gilt Fund. This Fund will be valued weekly, and bid and offer prices published daily in leading national newspapers. To secure the initial offer price (topp) you should invest by 2nd March. Minimum investment is £1000. Complete the proposal form below and send it in with a cheque for the amount you want to invest. All your investment will be used to purchase units in the Gresham Life Gilt Fund at the initial offer price which includes charges. Other details Charges There is an initial charge of 5% included in the offer price, and an annual management charge of 0.5% of the gross value of the Fund. The costs of purchases, sales and valuations of investments are paid directly by the Fund. Share Exchange The investment manager has a share exchange plan through which you may exchange a portfolio of gilt-edged securities or other acceptable stocks and shares (minimum value £2000) for a Gresham Life Gilt Bond. This can mean a saving in costs. For full details, write to the address on the coupon with details of your holdings. Taxation Income accumulated in the Fund is taxed as the life assurance company rate. You have no liability for basic-rate tax or Capital Gains Tax. There may be a liability to higher-rate tax and the investment income surcharge when your bond is finally cashed. You could avoid or reduce this liability by cashing your Bond in a year when your income is low. Full details are available on request and are included in the booklet you will receive with your policy. Cashing your investment You may cash in all or some of your Bond whenever you wish, at the bid price on the valuation day following receipt of your written instructions by Gresham Life. For partial withdrawals, the minimum is £250 and the value of your remaining units must be at least £1000. There is no charge for withdrawal. This advertisement is based on Gresham Life's understanding of current law under the Income and Corporation Taxes Act 1970 and the Finance Act 1975. Not applicable to residents of the Republic of Ireland.

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- Name and address of your usual doctor
- Occupation
- Do you wish Automatic Withdrawal Plan (minimum investment £2000) YES/NO

I declare that the statements contained herein, whether in my own handwriting or not, are TRUE AND COMPLETE and I agree that only these statements together with those (if any) made to the Society's Medical Examiner and signed by me, shall be the basis of the proposed contract of insurance between me and the GRESHAM LIFE ASSURANCE SOCIETY LIMITED. I consent to the Society making enquiries of or seeking medical information from any doctor who at any time has attended me or may attend me or of from any Life Assurance Company to whom I have at any time made a proposal for life assurance and I authorise the giving of such information.

Signature \_\_\_\_\_ Date \_\_\_\_\_

**GRESHAM LIFE GILT BOND** FT

# COMPANY NEWS + COMMENT

## Second-half jump gives Lloyds £147m.

PROFITS OF Lloyds Bank accelerated from £48.5m in the second half of 1976, taking the year's total up from £93.5m to £147.3m, aided by a turnaround of some £13m in respect of the share of associates profits.

Despite low utilisation of draft facilities by corporate borrowers there was a good increase in U.K. earnings, mainly reflecting growth in current account balances and higher average interest rates. Other factors were the use of the right issue proceeds and the wider margin between the deposit and base rates in the first nine months, the directors explain.

The group's international business has also made a significant contribution to results—attributable both to the effect of exchange rate movements and the increased volume of business.

Group profits at the operating level were £88m ahead of £135m. After providing for tax and minorities and extraordinary debits of £1.52m (£1.99m), the balance attributable emerged at £78.16m, against £46m in the second half of 1976.

The directors point out that the period of high inflation in the U.K. and general lack of business confidence throughout the world, in money terms, have been reached but they are still calculated on a historical cost basis which overstates profits in a time of inflation.

If adjusted by reference to the average of the retail price index profits in 1976 before tax were only some two-thirds of the previous record profit reported for 1973, despite the additional earnings arising from retained profits and capital issues.

They also stress that growth in deposits caused by inflation and accompanied by the effect of the weakness of sterling on conversion of currency deposits was such that, without benefit of a £76m rights issue in February and a \$175m Eurobond issue in May the trend of erosion in the ratio of capital funds to liabilities would have continued.

Including the net proceeds of £74m from the rights issue and a £19m revaluation surplus on premises of Lloyds Bank International, the ratio of capital funds to liabilities would have continued to improve from 87.7% to 91.3%.

At the end of the year the ratio of capital funds to liabilities was 91.3% (91.3%) against 87.7% (87.7%) at the end of 1976.

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## DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corre. div. year	Total last year
Adams & Gibbon	3.08	April 27	2.78	3.05
Bogod-Pelepah	0.28	—	0.25	0.8
Customagic	0.45	July 1	0.45	0.9
Debuture Corp.	1.9	April 1	1.89	2.75
Law Debenture Corp.	2.42	April 14	2.53	4.32
Lloyds Bank	4.42	April 14	2.53	7.4
Orme Devs.	1.1	April 7	1.1	2.47
Ward Holdings	1.63	April 2	1.63	2.6
Willows Francis	0.54	April 7	0.49	2.28

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡For 11 months.

## 3p final by Law Debenture

WITH A final dividend of 3p net per 25p share, making a total of 4p for 1976, Law Debenture has beaten the directors' interim forecast total of 3.6p.

This compares with dividend payments for the previous 11 months amounting to 3.24p, or 3.32p on an annualised basis.

Net revenue for the year was £496,266 (£333,444 11 months) and earnings per share amounted to 4.5p (£3.1p).

The directors point out that the figures are not in all respects comparable because of the inter-annual reorganisation in 1975, the repayment of the then subsidiary loan, and because income does not accrue evenly over the period. ACT written off in previous years, has been written back reducing the interim charge for 1976 by £1,130.

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Trustee fees 341,118 296,220  
Other income 4,766 10,525  
Admin expenses 27,422 184,230  
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Less interest 48,256 48,256  
Audit fee 3,331 4,500  
Taxation 284,431 229,979  
Net revenue 496,266 333,444  
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lished a specialist insulation contracting subsidiary and the Board has highest hopes that will contribute towards future profits.

Meeting, Bromley, March 14 at noon.

## Orme Devs. downturn halfway

PRE-TAX profit of residential builders and developers Orme Developments fell by £248,246 to £557,466 for the half year to October 31, 1976. Turnover was slightly up at £588m against £571m.

Total profit for 1976 was £1,498,526 (after a £204,036 write down of land affected by adverse planning decisions).

The directors state that contracts on 1,078 units have been exchanged to date, compared with 936 units up to the same period last year. They have taken the opportunity of selectively adding to the building land holdings in the belief that there will be a shortage of land available for development, an improvement in building societies' liquidity and also an upturn in both prices and volume of house sales.

Earnings per 10p share are shown to be 1.51p (1.81p) and pre-tax profits fell by 20 per cent. 1.1p is announced. Last year's total was 2.47p.

After the improvement at Orme Developments in the second half of last year, profits have declined. Although the number of housing units built in the first half was only 10 per cent. down at 450, pre-tax profits fell by 20 per cent. Average profit per unit is now £1,235 against £1,580 for the whole of last year. And profitability is likely to deteriorate further in the second half even though the company expects to build 1,150 units against last year's 1,075. Interest charges, which are 20 per cent. higher, add to the burden, producing a likely year-end pre-tax profit of no more than £1.2m. Longer term, the picture should improve in line with the recovery in building societies' funds, but in the meantime shareholders will probably have to be content with a maintained dividend.

Just covered by projected earnings, the 1.1p dividend is a share price of 27p, with the prospective p/e is 8.

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# Stenhouse looks to U.S. for expansion

BRIGHTEST prospects for a striking expansion in estate futures are in the U.S. is the fastest growing and we remain confident that expansion primarily in the U.S. is the right policy.

Stenhouse is referring to the U.S. market for estate futures, a move which the U.S. company Reed Shaw Dater Inc. is the tenth insurance broker in that country.

With the balance sheet of the company showing a much healthier state from two sources, earnings from the estate futures business in the U.S. are expected to be particularly high in 1977.

Reed Shaw Dater Inc. is a subsidiary of the company which has been successful in every division of the insurance business in the U.S. for the first quarter.

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# Debenture Corporation earnings up

EARNINGS per 25p share of the Debenture Corporation rose from 2.82p to 3.2p in 1976, and the dividend total is being lifted from 2.45p to 2.75p net, with a final dividend of 1.2p.

Total income in the year shows an increase from £1.33m. to £1.62m. Expenses and interest require £245,035 (£236,745) and tax £28,567 (£28,294).

Net asset value per Ordinary share was 52.1p (51.5p).

# Growth for Willows Francis

Pharmaceutical products manufacturing company Willows Francis has followed its forecast of progress in the current year with a rise in pre-tax profit of £32,793 to £243,714 for the first half ended December 31, 1976. Sales were advanced by only £75,747 at £1.12m.

The interim dividend is raised to 0.5383p net (0.4879p) per 25p share. Last year's payments totalled £270,750 and were paid from record profit of £280,496.

Tax for the half year took £78,400 (£45,000) leaving a net balance of £70,314 (£45,912).

# IOPSGATE PERTY

and New Developments, £78,400 (£45,000) leaving a net balance of £70,314 (£45,912).

# A clips £12½m. off Lyle & Lyle profit

Lyle's pre-tax profit for the year ended on May 20, 1976, would have been £40m. if the had been prepared on a cost of sales basis, the company's annual report.

# Profit advance for Assam Investments

With the expectation of much improved results for 1976 Assam Investments hopes to pay a significantly increased dividend.

For 1973 group pre-tax profits were lower at £2.15m. compared with £2.2m. and at the net level they were down from £802,851 to £561,000. The dividend was 3.3p net against 3p.

The directors report that 1976 earnings are expected to exceed those of 1975 by an amount that will more than compensate for material tax changes or other financial burdens to affect profits, a considerably improved result is foreseen.

Referring to the Indianization proposals the directors state that an initial valuation scheme in respect of these businesses affected has been submitted to the authorities. Until the scheme has been approved the directors cannot say what effect it will have on the profitability of profits from India and the group's cash flow generally.

# VOKES

Vokes Group intends to be a subsidiary of 70 per cent.

# CENT ISSUES

## EQUITIES

1976/77	High	Low	Stock	Closing Price	Change
101	101	101	Amalgamated	64	0
102	102	102	Barclays	100	0
103	103	103	Bolton	475	0
104	104	104	British	100	0
105	105	105	British	100	0
106	106	106	British	100	0
107	107	107	British	100	0
108	108	108	British	100	0
109	109	109	British	100	0
110	110	110	British	100	0

## FIXED INTEREST STOCKS

1976/77	High	Low	Stock	Closing Price	Change
111	111	111	Adams	100	0
112	112	112	Adams	100	0
113	113	113	Adams	100	0
114	114	114	Adams	100	0
115	115	115	Adams	100	0
116	116	116	Adams	100	0
117	117	117	Adams	100	0
118	118	118	Adams	100	0
119	119	119	Adams	100	0
120	120	120	Adams	100	0

## "RIGHTS" OFFERS

1976/77	High	Low	Stock	Closing Price	Change
121	121	121	Adams	100	0
122	122	122	Adams	100	0
123	123	123	Adams	100	0
124	124	124	Adams	100	0
125	125	125	Adams	100	0
126	126	126	Adams	100	0
127	127	127	Adams	100	0
128	128	128	Adams	100	0
129	129	129	Adams	100	0
130	130	130	Adams	100	0

upon one usually last day for dealing free of stamp duty. A 10 per cent discount is given on the basis of the full amount of the share. The discount is given on the basis of the full amount of the share. The discount is given on the basis of the full amount of the share.

# INCHCAPE & CO. LIMITED

An Extraordinary General Meeting held yesterday (11) to increase the share capital of the Company and to authorize the Directors to give effect to the proposed issue was passed.

been found possible to bring forward the posting date of the new Ordinary Shares in order that the new shares may start in the new shares as soon as possible, the new shares will now be posted on 25th February. Subject to listing, the new shares will be available for subscription on Monday, 28th February, 1977, rather than on 14th March, 1977, as previously announced.

# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and mergers

After a fierce take-over battle lasting almost a month, Racial Electronics claims to have control of more than 50 per cent of the shares of Milgo Electronics, the U.S. data communications group. Racial has been in competition with Applied Digital Data Systems, another U.S. computer peripheral equipment manufacturer.

A new attempt by the British Rail Pension Funds to acquire control of Standard Trust has been rejected by the latter's Board and its financial advisers, Schroder Wagg. The new offer amounts to 137p a share according to Standard's calculations, which falls short of its own assessment of net asset value of 162p at the end of last year.

The proposed merger between Ashdown Investment and Westpool Investment has been dropped because of events in the sector.

LYC Securities Berhad has made a £748,370 take-over offer for Batu Malang Rubber Plantations, one-third owned by Sime Darby Holdings. Although LYC with friends have shareholdings of around 30 per cent, the 85p per share offer is not agreed and the Board of Batu will be advising shareholders in due course what action they should take in respect of their holdings.

MPI, the funeral undertaking and musical instruments concern, has asked for the suspension of its share quotation pending details of an acquisition of Forward Technology Industries, a substantial private company.

Office Cleaning Services, which already owns 2,500 Collars Preference shares, has made an agreed 60p cash bid for the remainder. OCS also owns 92.8 per cent of Collars' Ordinary, the balance being held by Mr. A. H. Pickles and Mr. J. Pickles, who are directors of Collars.

Mern Group is to acquire 51 per cent of the Ordinary shares of pottery manufacturers John Maddock and Sons and has obtained an option to acquire the balance. The acquisition is part of the programme planned by Meru for the creation of an Anglo-American pottery group with manufacturing capacity on both sides of the Atlantic.

Jefferson Smurfit, the Irish packaging, printing and distribution group, is to acquire the outstanding 49 per cent of Time Industries Inc. of Chicago for a total consideration of \$5.5m. (£3.2m.). Time, a manufacturer of plastic and corrugated containers, showed a 27 per cent increase in turnover in 1976 to a total of \$39m. and lifted pre-tax profits by 33 per cent to \$3.2m.

Speculators hoping for a bid for Glamorgan-based steel radiator and engineering group Penrad, suffered a setback when the company announced that although bid talks had been taking place "shareholders should not have an exaggerated expectation" of their outcome.

## APPOINTMENTS

# Senior Alfred Preedy post for H. Bowdler

Mr. H. N. Bowdler has been appointed deputy chairman of ALFRED PREEDY AND SONS, Ryder Systems Inc. Mr. Peter Bowdler, financial controller, international operations, Ryder Truck Rentals; Mr. Oliver Silver, district manager, Manchester; Mr. Keith Isaac, financial controller, and Mr. David Dawson, branch manager, Birmingham.

The following have been appointed members of REGIONAL INDUSTRIAL DEVELOPMENT BOARDS in England: Yorkshire and Humber, Dr. R. Gill; South West, Mr. G. D. K. Foale and Mr. L. R. Sutherland; North West, Mr. R. B. de Zouche and Mr. L. C. Young; Northern, Professor W. G. McClelland and Mr. D. M. Gillespie, a South West member, has become chairman of that Board in succession to Mr. W. K. Shepherd, who has retired.

Mr. Geoffrey W. Bone, managing director and deputy chairman of Ransomes Sims and Jefferies, has been appointed a non-executive director of the BRITISH STEEL SPECIALTIES GROUP.

Mr. Glenn Schneider has been appointed director of international operations of RYDER SYSTEMS INC. and has been succeeded as managing director of Ryder Truck Rental by Mr. Roger French. Other appointments are Mr. G. J. Sumner, financial controller, international operations; Mr. Peter Bowdler, financial controller, international operations; Ryder Truck Rentals; Mr. Oliver Silver, district manager, Manchester; Mr. Keith Isaac, financial controller, and Mr. David Dawson, branch manager, Birmingham.

Mr. C. J. E. Roche, sales director of SPA, has been appointed to the additional post of deputy managing director. Mr. D. Burton becomes financial director.

The new chairman of the NORTHERN DEALERS COUNCIL is Mr. David Sparshatt, chairman and managing director of SPARTRUKS. Mr. Michael Birch, parts and service director at Spartruk, has been appointed chairman of the Council's parts and service managers' council.

Mr. Zafad Ahmad Khan, executive vice-president, NATIONAL BANK OF PAKISTAN, has taken over as the chief of the Bank's offices in the U.K. and West Germany. Mr. Khan had been the head of the finance division in head office and before that the chief of overseas operations. Mr. TEMS INC. and has been succeeded as managing director of Ryder Truck Rental by Mr. Roger French.

## LIBERTY LIFE BONDS

15.38% equivalent gross yield to basic rate taxpayers

10% net p.a. FOR 5 YEARS. ALSO SUITABLE FOR HIGHER RATE TAXPAYERS. OTHER TERMS AVAILABLE.

## BRUNNER INVESTMENT TRUST LIMITED

The following is the statement of the Chairman, Mr. T. B. H. Brunner, circulated with the Report and Accounts for the year ended 30th November, 1976.

Stockholders will note from the Annual Report that in the year under review the Trust's gross income increased by 11.3% to £379,286 and net income (i.e. after deducting administrative expenses, interest payments, taxation and payment of the dividend on the Preference Stock) increased by 12.5% to £287,508. Accordingly, your Board was able to declare a higher interim dividend of 1.30p per unit and new record dividend payment of a higher final dividend of 1.65p per unit resulting in a total distribution for the year of 2.95p per unit (2.60p in 1975). This represents the seventh consecutive increase in the Trust's distribution since 1969. In a year which saw the Financial Times Actuaries All Share Index fall by 15.3% the net asset value of the Trust's ordinary stock declined by only 3.9% to 87p per unit, a discrepancy explained by the superior performance of our overseas investments.

As I foreshadowed a year ago, the further revenue improvement has had to be striven for. The worldwide recession, from which most industrialized countries seemed to be emerging in mid-1976, faltered at least temporarily. Within the United Kingdom, the menace of inflation has yet to be overcome, and the real earnings and confidence of private industry remain impaired. Against this background your Board will continue to pursue steady growth of income and—since this is by design a balanced fund—capital value also.

In this connection I should emphasize that it is not your Board's present intention to alter the way in which the Trust's assets are financed, for example by arranging foreign currency loans or radically changing the geographical spread of investments. In the event of your Board deciding to make such fundamental changes, then, as soon as conveniently possible thereafter, stockholders will be advised of the changed situation.

The current year has started encouragingly and—on the basis of our latest estimate—some further improvement in the Trust's earnings is foreseen. 1977 will see the first major benefit to the U.K. economy arising from very substantial investments made in North Sea oil production. I am confident that we manage our affairs prudently—no surprise from the recent White Paper on the Government's expenditure plans—this development should assist towards a surplus in this country's balance of payments, a stronger pound sterling and a lower level of interest rates. I would hope that these factors will be reflected in a more buoyant economy from which the Trust should derive benefit.

The Annual General Meeting will be held on Friday, 18th March, 1977, at 11.45 a.m. at the Company's registered office, 20, Fenchurch Street, London, EC3P 3DB. Copies of the Full Annual Report are obtainable from the Secretary at that address.

Company	Value of bid per share**	Market price**	Price before bid (p/s)**	Value of bid (m/s)**	Bidder	Final Acct'ce date
Aluminium Corp.	100	100	41	0.4	Brit. Alumin.	—
Antofagasta Rwy.	171	201	161	1.1	Belle Trust & LFT Inv.	35.3
Batu Malang	83	80	60	0.7	LYC Securities	—
Rubber Plant	—	—	—	—	Berhad	—
Beaver Group	45	46	37	1.2	Brit. Indus. Inv.	11.3
Bons Webb	15	121	121	0.6	Hollis Group	21.3
Bristol Plant	10	41	6	0.4	Carlton Inds.	36.2
British Borneo	140	142	136	6.3	Cons. Gold	—
Petroleum	—	—	—	—	Fields	25.2
Rocknall Trust	16	201	18	0.1	Graham House Estate	—
Bucknall Trust	20	204	19	0.2	Bremar	—
Central Line Secs.	38	37	32	0.2	Loarhn	13.2
Dejoo Tea	200	180	85	0.2	Stewart Hill	—
Dechlat Tea	200	180	85	0.2	Stewart Hill	—
Dunford & Elliott	75	89	70	7.9	Lunhn	—
East Asiatic	—	—	—	—	East Asiatic Company	—
Rubber	—	—	—	—	Galway Sec. 'A'	22.9
Galway Sec. 'A'	67	65	48	7.4	Lindof	—
Golden Hope	75	73	78	35.6	Harrisons Malay-ian Estates	—
Graf Diamonds	28	25	24	0.4	Sandstar	—
Harrogate Tea	200	180	85	0.2	Stewart Hill	—
James (Maurice)	22	25	23	1.23	York Trust	—
Jens. Cleaners	42	48	30	4.2	Skechley	—
Kimpher	39	30	22	0.2	A. Guinness	—
Lansdown Inds.	83	78	97	50.5	Moore Corp.	—
London Asiatic	57	63	63	22.9	Harrisons Malay-ian Estates	—
Lon. Elect. & Gen. Tr.	100	87	87	127	Guinness Peat British Electric Traction	—
Lowell Shipping	188	155	100	0.8	Generale	—
Maidenhead Trvs.	26	24	24	2.1	Occidental	—
Majuli Tea	112	100	73	0.37	Romat Tea	—
Ozmid	92.3	87	100	24.6	Dre Van Der Grinten	—
Patallug	62.7	61	61	20.24	Harrisons Malay-ian Estates	—
Rand Selection	43	39	44	1.5	Anglo-Am. Handlbrone	—
Reed & Maitik	25	27	23	0.63	Handlbrone	—
Richardson	—	—	—	—	Imperial Knife	—
Sheffield	—	—	—	—	Schlumberger	—
Sangar Westco	15	15	15	2.0	Brit. Engr.	—
Scottish Assan	19	18	18	3.1	Brit. Engr.	—
Serek	57	57	60	32.1	Brit. Engr.	—
Standard Trust	137	130	115	31.3	Brit. Rail Pension Fund	—
Stannyslands	25	26	22	0.75	Assoc. Lishire	—
Stanwayslands	30	28	24	0.9	Grunt. Whiteley	—
Weyburn Eng.	42	40	37	16.6	Carborundum	—
White Child & Boney	130	65	51	4.3	A. Guinness	—
Williams Hudson	25	24	24	1.4	Argo Gva. SA	4.3

\* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. †† Date on which scheme is expected to become operative. \*\* Based on 17/2/77. ††† At suspension. †††† Bid.

## Rights Issue

Banforde: One-for-two at 30p each.

## PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings per share (p)	Dividends per share (p)
Aaronson Bros.	Sept. 30	2,350	10.4	1.75
Albright & Wilson	Dec. 31	31,628	15.1	4.125
Bates & Cobden	Dec. 31	743	4.9	1.7
W. W. Ball	Sept. 30	670	6.7	1.646
Bath & Portland	Oct. 31	3,233	17.7	2.888
Beaumont Props.	Sept. 30	785	4.1	1.51
W. Canning	Dec. 31	1,224	16.4	3.187
Carrington Vitelle	Dec. 31	12,068	3.8	1.584
Cornell Dresses	Dec. 31	28	0.5	0.3
Evode Holdings	Sept. 25	1,450	8.6	1.988
Harris Lebas	Oct. 2	0	1.8	2.92
D. Macpherson	Oct. 31	2,787	9.1	2.36
Manchester Ship	Dec. 31	11,807	52.2	13.034
MR Refrigeration	Oct. 30	2,012	12.7	2.718
H. Morris	Oct. 31	2,163	34.1	10.0
Newbold & Burton	Dec. 31	523	4.6	2.503
Nottingham Mfg.	Dec. 31	11,266	16.024	9.8
Simons	June 30	102	13.1	1.0
Robt. R. Stocks	Aug. 31	372	29.7	6.55
Thermal Syndicate	Oct. 31	1,868	10.2	12.41
Wm. Whittingham	Dec. 31	492	13.7	0.423

## INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends per share (p)
Ariel Jods.	Sept. 30	22	0.75
A. J. Baldwin	Oct. 31	89	1.51
Beyer Peacock	Oct. 31	193	0.5
Brasway	Oct. 31	34L	1.0
Cottle Haven	Sept. 30	45	1.86
David Dixon	Oct. 2	93	0.87
Garford-Lilly	Sept. 30	115	0.75
Grimshaw Hides	Oct. 31	15	1.1
John Baggas	Dec. 31	1,202	1.0
John James	Sept. 30	885	1.56
Nollon	Oct. 31	65L	0.2



HOME NEWS

Order for U.K. concrete platform may be on way

OUR OWN CORRESPONDENT ABERDEEN, Feb. 18. ORDER for a concrete platform for a U.K. yard may be on way, Mr. Dickson, Minister of State for Scotland, said today when he defended the performance in the heavy ton field of platforms for the North Sea.

Lightning 'bigger threat than enlarged nuclear industry'

DAVID FISHLICK, SCIENCE EDITOR. RISK of death from the nuclear industry would be less than that of being struck by lightning even if the industry is times its present size, as claimed last night by a scientist of British Nuclear Fuels, the State-owned company whose investment plans for its Windscale factory have been the focus of much anti-nuclear activity.

First Viking Commodity Trusts. Commodity OFFER 36.3. Bid 36.4. OFFER 98.0. Bid 95.0.

MANAGERS LIMITED. P.O. Box 77. 5c, Haverley. 0334-2051/3. 21 Jan. 010.12.05.34. Text dealings 24 Feb.

COMMUNITY GAINS TAXED AS INCOME? Under schedule 'D' of the Income and Corporation Taxes Act 1970 profits on commodity investments will be taxed as income and under some circumstances investment surcharge will be added. WE HAVE THE ANSWER. If you are currently investing in Commodities or are seriously considering doing so, we can arrange for you to receive a copy of our new minimum price guide which is subject to U.K. CAPITAL GAINS TAX ONLY, according to our understanding of current tax legislation. Please write (or telephone) for details to B. W. Lamont. Gilmartin Finance Limited. INVESTMENT AND FINANCIAL ADVISERS. 203 Victoria Street, London, SW1E 5NE. Telephone 01-834 9544.

North of England grant raised

THE GRANT paid to the North of England Development Council for each of the next three years has been increased 150 per cent to £250,000, a rise of £144,000. The increase was announced yesterday by Mr. Alan Williams, Minister of State at the Department of Industry. The grants for the development of the region in the North West, and Yorkshire and Humberside have also been increased, to £135,000 and £30,000 respectively.

Self employed plan campaign for better deal

By James McDonald. THE NATIONAL Federation of Self Employed - which claims 100,000 members - has launched a £100,000 advertising and publicity campaign in the first stage of a campaign this year to highlight the plight of the self-employed businessman. Over £20,000 of the money will be spent on national television advertising, beginning to-day with a full page advertisement in The Times. The campaign will be headed by a committee led by Lord Hesket, the businessman and sportsman who is also a member of the Price Commission and a director of Mills and Allen International (Marketing and Advertising), will join him and other committee members on a nationwide speaking tour.

Overseas news

MR. CLARK CLIFFORD, President Carter's special envoy, had a three-hour meeting to-day with Premier Constantine Karamanlis to discuss bilateral relations, the Aegean, developments in Cyprus, Greece's relations with Nato and the status of U.S. bases in Greece. Mr. Karamanlis said Mr. Clifford delivered a personal message from President Carter, who "offered to help frankly for the settlement of the problems which concern us at this moment". Reassuring Greeks that Mr. Clifford's visit was not the result of U.S. pressure on the Greek Government to make concessions to Turkey, as Mr. Karamanlis political opponents have recently charged, the Premier said Mr. Clifford brought no plans and made no proposals. UPI.

OPEC meeting ends

VIENNA, Feb. 18. OPEC oil ministers at their next meeting in Stockholm on July 12. Mr. Zaher, chief of the OPEC Secretariat, has no plans for a special session of the oil ministers before the Stockholm meeting. Observers here suggested that unless such proposals are made end approved by most of the 12 members, no decision on differentials and production programmes, details of which will be submitted to the AP-DJ.

Portuguese textile workers go slow, other unions may follow

LISBON, Feb. 18. MOST of Portugal's 300,000 textile workers are on partial strike. The atmosphere in the north is tense to-day, with Republican guards patrolling the streets and textile workers' union officials guarding offices day and night against nationalisation. Following a 24-hour total stoppage yesterday, workers at 6,000 textile and clothing factories are continuing their action to-day, striking for the first hour of each shift and for 15 minutes every two hours. They will continue action, they say, until management signs a long-drawn-out dispute in the textile sector - much of which is geared to export - will damage Portugal's troubled economy. Meanwhile, metal, bakery, building and electrical workers are all threatening action if management does not sign labour contracts.

Australian dollar revalued

SYDNEY, Feb. 18. HE said this reduces the net devaluation in terms of the basket to 12.20 per cent from the original 17.5 per cent, effective on November 29. Reuter.

INTERNATIONAL COMPANY NEWS

Some dismay at Adam Opel. BY GUY HAWTHORN. FRANKFURT, Feb. 18. SQUEALS OF dismay from those foreign observers of the West German corporate scene who have been somewhat sceptical of West German complaints that their levels of profit are well under those of their American competitors. It provides a rare insight into how widely estimates of profit vary between the West German and U.S. systems. In 1975, for instance, Adam Opel announced net profits of DM14,815m (£12,130m) as opposed to the GM annual report announcement that it had contributed \$54m (£31.5m) to the group profits for that year. No Opel executive Board member was available to-day to give a detailed explanation of how the wide difference in reported profits arose. But there can be no doubt that GM's report contained an embarrasment of riches for the West German subsidiary.

Tokyo coupons cut

BY PAULINE CLARK. AFTER A prolonged period since the beginning of this year, the Tokyo market for Japanese government securities has been cut to reduce coupon rates on prime Japanese corporate bonds. However, the move comes in a season to the generally more volatile Japanese market. The Japanese corporate sector and cut in rates on traditionally more stable public and Government issues should not necessarily follow. According to Yamachi Securities, coupons on double A rated corporate bonds issued from March onwards will be cut by 0.2 percentage points to 8.6 per cent, in the first change to be effected in corporate bond issues since December 1975. Issue prices of new issues at 99.5 per cent to reduce the yield to 8.693 per cent, from 8.894 per cent, previously. Some kind of adjustment is also expected in lower-quality corporate bonds, although coupon cuts here would be smaller. Falling yields in the secondary market have been attributed largely to high corporate investment of idle funds, but strong foreign buying interest is also reported, especially by Asian and Arab investors. The Finance Ministry estimates that these totalled a preliminary \$260m in January, compared with \$150m in December and \$203m in November last year. FOR THE FIRST TIME since May 1974, a Swiss subsidiary of a major international bank is reported to have taken up between Sw.Frs.50m and Sw.Frs.70m of the new Sw.Frs.500m, 15-year loan while the underwriting syndicate has also been left with a large number of the bonds. Although domestic bond prices have been well supported lately, the issuing authorities clearly misjudged investors' readiness in the issue price of 99.1 per cent, against 97.7 per cent, for outstanding Federal issues of shorter life. CREDITANSTALT. Owing to an error in transmission, yesterday's report on Creditanstalt Bankverien related a projected figure of Sch.105bn, to profits. This should have read as assets.

COMMODITIES/Review of the week

DRAMATIC rise in coffee price. OUR COMMODITIES STAFF. COFFEE futures rose a little last week with the London ending 233 higher compared with the 1,414,500 record \$353.5 a tonne, tonnes predicted in December, and El Salvador export, did little to halt the decline, and Colombian export when it was published on Thursday, which culminated in a Base metal prices on the London Metal Exchange all but flat.



MARKET REPORTS

BASE METALS. COPPER - Slightly lower on the London Metal Exchange in early trading. After opening at 280 forward metal closed at 280.50. The rise in lead and zinc after the afternoon had driven 280 and 280.50 into value. The rise in lead and zinc after the afternoon had driven 280 and 280.50 into value. The rise in lead and zinc after the afternoon had driven 280 and 280.50 into value.

MEAT/VEGETABLES

MEAT COMMISSION - Average butchering prices, rounded off to the nearest 10c. U.K. Cattle 130.00 per kg live weight. Sheep 130.00 per kg live weight. Pigs 130.00 per kg live weight. Average 130.00 per kg live weight.

KEY PRICE CHANGES

Table with columns for Commodity, Unit, 1976/77 High, 1976/77 Low, 1977 High, 1977 Low. Includes items like Metals, Grains, and other commodities.

GRAINS

THE GRAIN - Imported grains lacked serious buying interest and prices showed little movement. Canadian Western Red Spring No. 1 140 per cent, 140-145. 2.14 per cent, Feb. March 250.00, April 280.00, May 280.00, June 280.00, July 280.00, August 280.00, September 280.00, October 280.00, November 280.00, December 280.00.

FINANCIAL TIMES

Table with columns for Index, Feb 18, Feb 17, Jan 1977, Dec 1976. Includes Dow Jones, FTSE 100, and other financial indices.

HOME NEWS Signs of split as Provos deny early ceasefire

BY GILES MERRITT

REPORTS OF AN imminent Provisional IRA ceasefire were firmly discounted by IRA leaders last night...

There have been what a Stormont Castle spokesman described as "low level feelers" aimed at negotiating such a deal in recent months...

The statements by the Provos' Belfast brigade and the Stormont Castle officials followed a spate of confused reports in Dublin and Belfast suggesting that the Provisional IRA was considering a unilateral ceasefire...

Although under Mr. Mason's predecessor, Mr. Merlyn Rees, there had been contacts between Provisional Sinn Fein and British officials from the NIO's Lenses office handling political sensitive matters...

The anti-truce position taken by the IRA's Dublin-based Army Council may be moving to be responsible for the resumption of bombings in mainland Britain...

There is also speculation that the Provisional IRA's command structure in Northern Ireland, which disapproves of mainland attacks, as being irrelevant to the mainstream of its operations...

Airlines told to pay airport security bill

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE U.K. Government told the world's airlines yesterday that it would not change its decision to make them bear the entire cost of airport security...

Mr. Clinton Davis made it clear that legislation might be necessary, and this was being studied by Government experts.

Mr. Stanley Clinton Davis, the Parliamentary Under Secretary for Trade, told Mr. Kaut Hammarfeldt, director-general of the International Air Transport Association...

The security costs cover searching all passengers and baggage at check-in points at airports, together with spot checks of baggage, the permanent plain clothes security personnel needed at airports and the cost of special troop patrols at those airports.

But in view of the need to cut public spending, it has been decided to press on with the policy of passing these charges to the airlines...

Mr. Clinton Davis is believed to have said that the Government felt that the support of the trade unions and the taxpayers for this principle of passing the general costs of aviation increasingly on to the travellers.

Shops plan for arcade outside the Ritz Hotel

BY MICHAEL CASSELL

THE FAMOUS Rivoli Arcade, which runs along the front of the Ritz Hotel in London's Piccadilly, is to be replaced by a scheme revealed yesterday by the owners, Trafalgar House Investments.

granted, the Rivoli Arcade will house about six top-quality shops and the intention is to enliven the present rather bleak frontage on to Piccadilly.

The hotel was purchased by Trafalgar House early last year for £2.7m, and is intended to become the "flagship" of the group's hotel chain which improvement work is completed. Since the purchase, about £300,000 is believed to have been spent on the Ritz, and it is thought that the total renovation and modernisation programme will cost about £2m.

The famous Rivoli Bar will not be reopening as part of the improvement programme, although the hotel's old grill room will be used. The Ritz was opened in 1906 and is listed as a building of historic interest.

'Passports' plan to stop ticket racket

COMMUTERS may have to carry "passport" season tickets in a bid to stop a £200,000 Tube and bus racket, London Transport said yesterday.

It plans to introduce the scheme after the fares increase expected in July. Travellers would have to provide photographs for their tickets.

The scheme will affect at least 100,000 monthly and annual season ticket holders. The National Association of Rail Passengers said "Anything which increases administration costs must be a bad thing in the present climate because, ultimately, it is bound to rehoop on the traveller."

Mr. Male said it was essential to discourage a practice which brought the professional haulier into disrepute. The maximum fine should be raised from £200 to £500.

Hauliers want heavier fines on unlicensed

By Ian Hargreaves

COMPANIES which operate a public road haulage business without a proper licence should face heavier penalties, Mr. Jack Male, vice-chairman of the Road Haulage Association, said last night.

With reservations, the association was pleased with the regulations on the qualifications for goods vehicle operators, due to come into effect in January.

Mr. Male said it was essential to discourage a practice which brought the professional haulier into disrepute. The maximum fine should be raised from £200 to £500.

SNOW REPORTS

Table with 4 columns: Depth, State, Wind, and Visibility. Lists weather conditions for various regions like Cornwall, Devon, and Wales.

This week's SE dealings

Friday, February 18 5,578 Wednesday, February 16 6,271 Monday, February 14 7,590 Thursday, February 17 5,561 Tuesday, February 15 7,045 Friday, February 13 7,235

The following records all yesterday's dealings and also the latest market during the week of any share not dealt in yesterday. The latter can be distinguished by the sign (in parentheses).

The number of deals started in each section follows the name of the section. The number of deals started in each section follows the name of the section.

Barclays at Special Price. A Bargain note with or between non-members. B Bargains done previous day. C Bargains done with members of a recognised Stock Exchange. D Bargains done or delayed on the London Stock Exchange. E Bargains done on the London Stock Exchange. F Bargains done on the London Stock Exchange.

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Table of financial data including share prices and market indices for various companies and sectors.

Continuation of financial data from the previous section, listing various stocks and their prices.

Continuation of financial data, including market movements and price changes.

Continuation of financial data, listing specific stock prices and market activity.

Continuation of financial data, providing details on market trends and share values.

Continuation of financial data, including information on market performance and stock prices.

Continuation of financial data, listing various market indicators and share prices.

Continuation of financial data, providing an overview of market conditions and stock prices.

Continuation of financial data, including details on market activity and share prices.

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Continuation of financial data, providing an overview of market conditions and stock prices.

Continuation of financial data, including details on market activity and share prices.

Financial Times Saturday February 19 1977

Table of stock market data including various indices, share prices, and company names. Includes sections for 'N-O-P', 'Q-R-S', and 'T-U-V'.

Table of stock market data including various indices, share prices, and company names. Includes sections for 'W-X-Y-Z', 'INSURANCE', 'GAS', 'UNIT TRUSTS', 'IRON, COAL & STEEL', 'MINE', 'SHIPPING', and 'WATERWORKS'.

Financial Times Saturday February 19 1977

Financial Times Saturday February 19 1977

Financial Times Saturday February 19 1977

Financial Times Saturday February 19 1977

Financial Times Saturday February 19 1977

Financial Times Saturday February 19 1977

Financial Times Saturday February 19 1977

BUILDING SOCIETY RATES

Table of building society rates showing deposit rates, share prices, and sub-par shares for various societies.

U.K. CONVERTIBLE STOCKS 18/7/77

Table of U.K. convertible stocks listing name and description, size, current price, conversion terms, flat yield, and red yield.

NEW HIGHS AND LOWS FOR 1976/77

Table of new highs and lows for 1976/77 listing company names and their respective high and low values.

RISES AND FALLS

Table of rises and falls listing company names and their percentage changes.

ACTIVE STOCKS

Table of active stocks listing stock names, denominations, closing prices, and changes.

ON THE WEEK

Table of stocks on the week listing stock names, denominations, closing prices, and changes.

OPTIONS TRADED

Table of options traded listing stock names, denominations, closing prices, and changes.

LOCAL AUTHORITY BOND TABLE

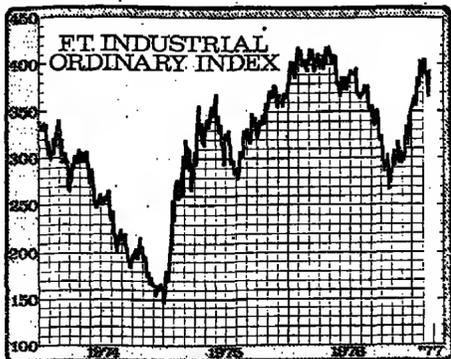
Table of local authority bond table listing authority names, interest rates, and bond details.

Financial Times Saturday February 19 1977

STOCK EXCHANGE REPORT

Undertone firm but week-end influences limit trade
Share index up 2.6 at 393.0, after 395.2—Ultra bid feature

Account Dealing Dates
Option
\*First Declared Last Account
Dealings Dates Feb. 22
Jan. 31 Feb. 10 Feb. 11 Feb. 22
Feb. 14 Feb. 24 Feb. 25 Mar. 8
Feb. 28 Mar. 10 Mar. 11 Mar. 22



After the good rally since Tuesday morning, share prices yesterday opened a shade easier and buyers were reluctant to take on commitments of the week-end. Gilt-edged were held in check by the Bank of England's hold on minimum lending rate and potential demand for the long was also held back ahead of and after the January Retail Price Index. Short-dated Funds ended below the best but with scattered small gains which left the Government Securities Index 10.6 better at 55.15; sentiment in the earlier months was however the key interest rate will shortly be allowed to fall in line with money market intentions.

During the course of a small turnover, ICI touched 34 1/2 before closing 34 1/2. The results of the 157th Annual General Meeting were announced. Elsewhere in Chemicals, Fisons improved 10 to 30 1/2 and ICI to 30 1/2. Anglo-Siam was a firm market in Stores, rising 7 to 8 1/2. Cornhill Dressed, on the other hand, lost 2 more to 9 1/2. Consideration of the passing of the dividend from an initial firm level of 21 1/2 to 20 1/2, making a net fall on the day of 5. Barclays, who report next Thursday, ended 5 off at 23 1/2 and Midland and National Westminster were both down at 28 1/2 and 22 1/2 respectively. In Hire Purchases, Cattle Holdings lost 3 to 3 1/2, after 3 1/2, on late news that the proposed bid from an initial firm level of 21 1/2 to 20 1/2, making a net fall on the day of 5. Barclays, who report next Thursday, ended 5 off at 23 1/2 and Midland and National Westminster were both down at 28 1/2 and 22 1/2 respectively. In Hire Purchases, Cattle Holdings lost 3 to 3 1/2, after 3 1/2, on late news that the proposed bid from an initial firm level of 21 1/2 to 20 1/2, making a net fall on the day of 5.

Overall, price changes were narrow mixed and rises outnumbered falls in FT-quoted equities by only three-to-two against Thursday's 11-to-two. The FT-Actuaries All-share Index was unchanged at 168.11 which represents a rise on the week of just over 2 per cent. Banks were uninspired by the start to the dividend season made yesterday by Lloyds, the sector index giving

up 6.3 per cent to 147.25. The slackness of trade was illustrated by official markings of 3.575 which brought the weekly average to 0.411 compared with 0.412 the preceding week and 8.540 the week before. Base rate considerations, the latest further decline in money supply and the pound's steady performance all found reflection in short-dated British Funds. Yield attractions also stimulated interest together with a fresh easing in the recently very tight conditions in money markets. Buyers placed a particular interest on Treasury 9 1/2 per cent, 1981, for a rise to 10 1/2. The undertone was fully firm with sellers generally scarce and sentiment was helped by Mr. Henley's and Mr. Len Murray's strong warnings against a return to free collective wage bargaining. The FT-Actuaries All-share Index was unchanged at 168.11 which represents a rise on the week of just over 2 per cent. Banks were uninspired by the start to the dividend season made yesterday by Lloyds, the sector index giving

cheaper at 43 1/2 following a reasonable turnover. A firm trend was maintained in Buildings, but the volume of business was small. May and Hassell were notable for a speculative gain of 7 1/2 to 7 3/4, after 7 1/2, while the chairman's encouraging annual report lifted Gough Cooper 6 to 5 1/2. Whittaker were 2 similar amount better at 9 1/2 and further buying in front of Monday's preliminary results left another 3 1/2 higher to 13 1/2. The approach of the 157th Annual General Meeting B both improved 4 to the common level of 15 1/2 and AP Cement hardened 2 to 18 1/2 as did London Brick to 4 1/2. Orme Developments, on the other hand, lost 1 1/2 to 1 1/2. The reduced first-half earnings and Norwest lost a further 4 to 9 1/2 as recent bid hopes continued to fade.

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Rank Org. popular
Speculation about Rank Organisation current drilling operations in the North Sea prompted a gain of 2 in 15 1/2 after 15 1/2. Continuing talk that Sir Hugh Fraser soon plans to sell his stake in the company brought a gain of 1 1/2 to 16 1/2. The approach of the 157th Annual General Meeting B both improved 4 to the common level of 15 1/2 and AP Cement hardened 2 to 18 1/2 as did London Brick to 4 1/2. Orme Developments, on the other hand, lost 1 1/2 to 1 1/2. The reduced first-half earnings and Norwest lost a further 4 to 9 1/2 as recent bid hopes continued to fade.

Rolls-Royce continued firmly in Motors and Distributors, rising 2 to 6 1/2 for a two-day gain of 5 1/2 on further consideration of the company's export performance last year for profit-taking in the recent speculative favourites. Kazak, at 80, losing 2 of the previous day's gain of 9, and R. Kitchin Taylor giving up 3 to 20 1/2. Shipping fluctuated narrowly in quiet trading. Lots, 5 1/2, still reflecting the announcement that the Sijeholme nationalisation plan, being acquired by Mr. Christopher Bland from Smith St. Aubyn, provided the Newspaper/Printing sector with its only notable feature.

after 7 1/2. The trend otherwise was mixed with British Land unchanged at 3 1/2, after 3 1/2, and United Real, 18 1/2, and Wainford Investments, 18 1/2, down 4 apiece. Peachey attracted attention again, but closed only 1 harder at 4 1/2, after 4 1/2, while Apex hardened similarly to 12 1/2 awaiting Monday's interim figures. Oils became volatile although business generally was light. Shell fluctuated between 4 1/2 and 5 1/2 before closing unaltered on the day at 5 1/2. Similarly, British Petroleum ranged from 9 1/2 to 9 1/2 prior to ending 2 net 4 easier at 9 1/2, while Ultramar slipped to 14 1/2 only to meet a country demand coupled with a small Canadian interest which lifted the price to 15 1/2 before Press comment of an adverse nature unsettled Burmah, down 2 to 7 1/2 after 8 1/2, but renewed speculative enthusiasm raised Westcoast to 3 1/2 subsequent to reaction to 3 1/2 for a net gain of 3. Ball and Collins were the like amount dearer at 3 1/2, but Premier softened a penny to 13 1/2.

Shipping fluctuated narrowly in quiet trading. Lots, 5 1/2, still reflecting the announcement that the Sijeholme nationalisation plan, being acquired by Mr. Christopher Bland from Smith St. Aubyn, provided the Newspaper/Printing sector with its only notable feature.

FINANCIAL TIMES STOCK INDICES
Table with columns for various stock indices and their values.

HIGHS AND LOWS
Table showing high and low prices for various stocks.

BASE LENDING RATES
Table listing various banks and their base lending rates.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Table of F.T.—ACTUARIES SHARE INDICES. Includes sections for EQUITY GROUPS, GROUPS & SUB-SECTIONS, and FIXED INTEREST.

Properties mixed

Publicity given to a brokers' circular which was generally cautious but included recommendations for a similar number of arroused buying of Land Securities, up 3 at 16 1/2, after 16 1/2, and MEPC, the turn better at 7 1/2,

Fall in bill rate

Bank of England Minimum Leading Rate 12 per cent. (since February 3, 1977). The Treasury has set the 0.2412 per cent to 10.2524 per cent at yesterday's tender, indicating a reduction to 1 1/2 per cent in Bank of England Minimum Leading Rate if the market for selected bills is not below 0.2412 per cent. The discount houses 1977 previously, and bids at that time were met as to about 51 per cent. The \$300m bills tendered and allotted attracted bids of 57.75c, compared with 58.5c for a similar number of bills the previous week. All bills tendered were allotted. Next week a further \$300m will be offered on replacing maturities in 1977. Day-to-day credit was in short supply in the London money market and the authorities gave large assistance by buying a moderate amount of Treasury bills from the discount houses 1977 previously, and bids at that time were met as to about 51 per cent.

EXCHANGES AND BULLION

Sterling lost ground yesterday afternoon, following the rise in the retail price index, published after lunch. The pound opened at \$1.7050-1.7055 and was fairly steady at \$1.7040-1.7045 for most of the day. The dollar fell to a low of \$1.7030-1.7035 after publication of the index and may have been supported by the fact that it improved steadily in late dealings and closed at \$1.7040-1.7050, a fall of 10 points on the day. The pound's trade-weighted average fell to 122.12 per cent, the Washington Currency Agreement of December, 1971, as calculated by the Bank of England was unchanged throughout of 43.4 p.c. The dollar gained ground in terms of most other major currencies. Its trade-weighted average depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York on noon rates, narrowed to 1.08 per cent from 1.22 per cent. The German mark was slightly firmer against the dollar at DM239.15, compared with DM239.70 previously, but the French franc was again weaker at FF456.20, compared with FF456.20, compared with FF456.20, compared with FF456.20.

EXCHANGE CROSS-RATES

Table showing exchange cross-rates for various currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies.

FOREIGN EXCHANGES

Table showing foreign exchange rates for various currencies.

GOLD MARKET

Table showing gold market prices and rates.

INSURANCE RATES

Table showing insurance rates for various policies.

Advertisement for APO (Artists and Photographers Organisation) with contact information.

Advertisement for 'FIXED PRICE' with details on pricing and contact information.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as British Life Office Ltd, British Equities Ltd, and others, with columns for fund names, managers, and performance metrics.

INSURANCE, PROPERTY, BONDS

Table listing insurance and investment companies including Abbey Life Assurance Co. Ltd, City of Westminster Assur. Co. Ltd, and others, with details on their products and services.

APOLLO Edited by Denis Sutou. World's leading magazine of Arts and Antiques. Monthly price £1.50 Annual Subscription £18.00 (Inland).

FREEMAN INVESTMENT. Acre site and brick buildings for sale. Property Investors and Vendors. JACK MENDOZA, 100, Blandford Road, Hove, Sussex, BN3 3TV.

EXCELLENT GROWTH PROSPECTS. The aim of the LAWSON RAW MATERIALS fund is long capital growth from a wide range of commodity shares.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds such as Argonaut Securities (GL) Limited, British Overseas Fund, and others, with details on their investment strategies and performance.

LAWSON RAW MATERIALS and General Unit Trust. A wide range of investment opportunities. Fixed Price 30.1p. MON 26th FEB 1977 ACCUM UNITS 30.9p.

NOTES. Prices do not include commission and other charges. Interest is shown in pence unless otherwise stated.

FT SHARE INFORMATION SERVICE

Relative Strength
Relative strength is the difference between a good and a bad investment. We supply relative strength charts for Britain's leading companies...

BRITISH FUNDS

Table listing various British funds with columns for Stock, Price, Div. Yield, and other financial metrics.

BANKS AND BIRCH PURCHASE

Table listing banks and birch purchase options with columns for Stock, Price, Div. Yield, and other financial metrics.

INTERNATIONAL BANK

Table listing international banks with columns for Stock, Price, Div. Yield, and other financial metrics.

CORPORATION LOANS

Table listing various corporation loans with columns for Stock, Price, Div. Yield, and other financial metrics.

COMMONWEALTH & AFRICAN FUNDS

Table listing various Commonwealth and African funds with columns for Stock, Price, Div. Yield, and other financial metrics.

LOANS (Miscellaneous)

Table listing various miscellaneous loans with columns for Stock, Price, Div. Yield, and other financial metrics.

FOREIGN BONDS & RAILS

Table listing various foreign bonds and rails with columns for Stock, Price, Div. Yield, and other financial metrics.

AMERICANS

Table listing various American stocks with columns for Stock, Price, Div. Yield, and other financial metrics.

CANADIANS

Table listing various Canadian stocks with columns for Stock, Price, Div. Yield, and other financial metrics.

BUILDING INDUSTRY—Continued

Table listing various building industry stocks with columns for Stock, Price, Div. Yield, and other financial metrics.

DRAPERY AND STORES—Continued

Table listing various drapery and stores stocks with columns for Stock, Price, Div. Yield, and other financial metrics.

ENGINEERING—Continued

Table listing various engineering stocks with columns for Stock, Price, Div. Yield, and other financial metrics.

ELECTRICAL AND RADIO

Table listing various electrical and radio stocks with columns for Stock, Price, Div. Yield, and other financial metrics.

CHEMICALS, PLASTICS

Table listing various chemical and plastic stocks with columns for Stock, Price, Div. Yield, and other financial metrics.

MACHINERY, MACHINE TOOLS

Table listing various machinery and machine tool stocks with columns for Stock, Price, Div. Yield, and other financial metrics.

CINEMAS, THEATRES AND TV

Table listing various cinema, theatre, and TV stocks with columns for Stock, Price, Div. Yield, and other financial metrics.

DRAPERY AND STORES

Table listing various drapery and stores stocks with columns for Stock, Price, Div. Yield, and other financial metrics.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing various building industry, timber, and roads stocks with columns for Stock, Price, Div. Yield, and other financial metrics.

AMERICANS

Table listing various American stocks with columns for Stock, Price, Div. Yield, and other financial metrics.

AMERICANS

Table listing various American stocks with columns for Stock, Price, Div. Yield, and other financial metrics.

FOOD, GROCERIES, ETC.

Table listing various food, grocery, and other stocks with columns for Stock, Price, Div. Yield, and other financial metrics.

HOTELS AND CATERERS

Table listing various hotel and caterer stocks with columns for Stock, Price, Div. Yield, and other financial metrics.

INDUSTRIALS (Miscellaneous)

Table listing various miscellaneous industrial stocks with columns for Stock, Price, Div. Yield, and other financial metrics.

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INDUSTRIALS - Continued

Table of industrial stock prices including companies like British Petroleum, Shell, and ICI.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies such as Rover, Ford, and British Aerospace.

PROPERTY - Continued

Table of property-related companies and their stock prices.

TRUSTS - Continued

Table of various trust companies and their financial data.

TRUSTS - Continued

Table of trust companies, including details on shares and prices.

Advertisement for SUMITOMO HEAVY INDUSTRIES, LTD. featuring a crane and text about ocean development and engineering.

MINES - Continued

Table of mine companies and their stock prices.

AUSTRALIAN

Table of Australian stock market data.

TINS

Table of tin-related companies and their stock prices.

OVERSEAS TRADERS

Table of overseas trading companies and their stock prices.

COPPER

Table of copper-related companies and their stock prices.

MISCELLANEOUS

Table of miscellaneous stock prices.

NOTES

Notes section containing various financial notices and company announcements.

TEAS

Table of tea-related companies and their stock prices.

AFRICA

Table of African stock market data.

MINES

Table of mine companies and their stock prices.

EASTERN RAND

Table of Eastern Rand stock market data.

INSURANCE

PROPERTY

TOBACCO

TRUSTS, FINANCE, LAND

FINANCE, LAND, ETC.

REGIONAL MARKETS

OPTIONS

3-month Call rates

City Offices  
Hampton & Sons  
01-236 7831

# FINANCIAL TIMES

Saturday February 19 1977

Cheverton  
Workboats

built for the job - 6m - 23m  
Covers, Isle of Wight. Tel: Cowes 5831 Telex 87

## MAN OF THE WEEK

### Folk hero of the airways

BY MICHAEL DONNE

IF ANYONE could claim to have become the folk-hero of civil aviation, it is the ebullient Freddie Laker, chairman of Laker Airways, as a result of his triumph this week in overturning Government opposition to his plan for cut-price (£59 single) Skytrain flights across the North Atlantic between Stansted and New York.



Freddie Laker: fight and flight for freedom.

Appeals Court decision in his favour, came to an end with the formal announcement from the Department of Trade that the Government had reversed its policy of objection, and from now on would support Skytrain in its bid for U.S. recognition.

Laker, now 55, is convinced he can make this unique no-reservations venture pay. He claims that the delays of the past few years have cost Britain some £120m. in lost foreign currency earnings. His target is the youth of North America, the "knapsack and rubber brigade" on the university campuses who want to travel but can't afford the normal scheduled fares. He reckons that 50 per cent of his traffic will come from this market. He may be right. All he now wants is the chance to get on and prove it.

Very few people in aviation would suggest he might fail. Laker is the complete aviation man. He has done everything it is possible to do with aeroplanes - buy them, sell them, build them, fly them, break them up, operate them - and he has succeeded all the way down the line. He began by sweeping the factory floors at Short Brothers' Rochester works in 1935, before joining the war-time Air Transport Auxiliary which holds his pilot's and ground engineer's licences. After the war, he got into the Berlin Airlift by buying 12 Halions (converted Halifax bombers) from BOAC, flying six himself and selling six to other operators. The airlift over the English Channel was over the engines, melted them down, and sold them for scrap - and so on.

Then, in 1958, came the big development, with the formation of British United Airways by Air Hindles and others, with Laker as the marketing director. BUA was a strange mixture of the U.K. aerospace industry, buying the One-Eleven and then the VC-10, and pioneering the first heavy-lift services across the Des. Equator. He took BUA into Rio de Janeiro and other cities in South America when BOAC pulled out, and made profits.

In 1965, he left BUA, intending to form his own airline with his son Kevin. Tragedy struck when Kevin was killed in a car crash, but Laker pressed on, setting up Laker Airways, primarily as an inclusive tour operator. It prospered rapidly, and expanded into the travel agency and tour organising business.

But he still wanted to extend his low-cost travel activities, and Skytrain was the result, the idea being to offer really cheap rates for the man-in-the-street, who Laker believes really wants to fly but cannot afford it. Since then, he has never ceased to fight for Skytrain, and its insignia is proudly displayed on the side of his fleet of DC-10 jets.

## Bank asked to probe lead price rise through speculation

BY JOHN EDWARDS, COMMODITIES EDITOR

THE DEPARTMENT OF Industry has asked the Bank of England to investigate charges by the British Battery Manufacturers' Association that lead prices on the London Metal Exchange are being artificially inflated by speculative buying, it was confirmed yesterday.

This follows a letter from Mr. John Ray, chairman of the Battery Manufacturers' Association and managing director of the Chloride group, one of the biggest users of lead in the U.K. He complained that the sharp rise in lead prices, which have moved up by over £100 to an all-time high of over £400 a tonne since the beginning of the year, was not justified by the basic supply-demand situation.

The Bank confirmed that it was holding consultations with the metal exchange on the complaints, but investigations already carried out had shown that there was a genuine shortage.

The Bank already keeps a close eye on all the commodity markets, requiring detailed reports from all brokers and holding regular weekly meetings with the Metal Exchange committee.

However, it is understood that a special check has been made on the lead market this week. So far it is understood the monthly returns to the Bank do not show undue speculative activity in the total lead market trading turnover.

The Bank demonstrated last year that it was prepared to act against excessive speculation in any market when it forced the metal exchange to ban non-traded business on the zinc market for two months.

Hostile Market reaction is predictably very hostile to the Chloride allegations, which appear to have very similar to those in 1974 when Mr. Christopher Chataway, then Industry Minister, made a special visit to the exchange and speculation was unofficially curbed.

On this occasion, it is claimed, the sharp rise in lead prices is more than justified by basic supply-demand developments. It is generally agreed that there has been heavy buying by the Soviet Union - estimated at

100,000 tonnes in 1976 against 20,000 tonnes in 1975 - as a result of a breakdown in a large Russian lead smelter and because of a switch to longer-life batteries.

It is claimed the Russians hold a large proportion of the Metal Exchange warehouse stocks. U.S. demand for lead has remained high, compared with the other metals, in view of the buoyant car sales and in recent weeks has been sharply boosted by extra demand for batteries because of the unprecedented cold weather.

At the same time, supplies of secondary (scrap) lead have been cut as a result of the industrial recession and recently by the cold weather in the U.S. Major U.S. lead producers are all reporting shortages of immediately available supplies and prices have gradually raised their prices.

Rudolf Wolf, the London metal merchant, says in his latest market report, out today, that the Metal Exchange is an inter-national market, not controlled by a narrow U.K. domestic market.

## Carter quiet on 'Hussein bribes'

BY DAVID BELL

WASHINGTON, Feb. 18. THE CARTER Administration today reacted with extreme caution to a report that the Central Intelligence Agency had secretly paid millions of dollars to King Hussein of Jordan over the past 20 years.

The report, in today's Washington Post, brought an angry denial from the Jordanian Government. But the White House refused to confirm or deny it and would say only that King Hussein was "an outstanding national leader" and that all "sensitive foreign intelligence activities are under review."

Publication of the report cast a cloud over Mr. Cyrus Vance's arrival in Amman on the latest stage of the Secretary of State's fact-finding mission to the Middle East.

Mr. Vance said he had "absolutely no comment" to make on the report, but officials travelling with him said that, whether true or not, it was bound to affect the negotiations as a whole and the King's relations with the Palestinians and the Syrians in particular.

## Overseas tonic for Lloyds

THE LEX COLUMN

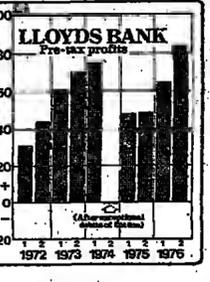
Lloyds Bank confirmed expectations of a substantial profits gain when it opened the clearing bank results season yesterday. After being just over a third up at the interim stage, Lloyds second-half pre-tax profits rose by nearly three-quarters and the full year's output is £52.2m, better at £147.7m - closely in line with the forecasts of many analysts.

With Finance for Industry and Grundy in a much healthier state there was a sharp recovery in the earnings of associates - the previous year's £0.5m. loss was transformed into a £12.75m. profit. This has also helped the tax charge which is down from 56 per cent to 49 per cent.

Last year's £76m. rights issue probably contributed £10m. to the group's improvement but the key factor in the domestic side was the widening of margins. A 10 per cent average base rate in the first half rose to 12.5 per cent in the second half (against 10.5 per cent in the comparable period of 1975) and a historically high 4 per cent spread between base and deposit rates was maintained until well into the autumn.

In addition, the growth in operating costs was cut to roughly half the previous year's rate and higher bank charges started to come into force in the autumn; for the clearing banks as a whole they are probably worth £50m. in a full year and £20-£30m. in 1976.

Index rose 2.6 to 393.0



Lloyds takes pains to point out that its profits are not exceptional. With the anti-inflationist propaganda campaign in full swing it claims that after adjusting crudely for inflation profits are a third below the previous record in 1975. And if it had not been for the rights issue and a £75m. Euro-bond issue, its capital ratio would have dropped during the year despite a doubling in retentions. As it is, the additional capital has restored its free capital ratio to 1972 levels.

Along with the other clearing banks, Lloyds has been lagging behind the market over the past month. Interest rates are falling faster than expected (reducing the endowment element in profits) and there is not much scope for further growth in margins. Until there are signs of a recovery in sterling advances the shares which closed at 207p, where they yielded 6 per cent, are unlikely to outperform the market.

Standard Trust The takeover bid for the Standard Trust which after several weeks of fruitless negotiations has finally emerged from the British Rail Pension Funds press is investors bidding a part of the investment trusts with something of a dilemma. They realise that there could be well be damaging repercussions on the stock market image of the investment trust sector as a whole if this approach fails. But by a rapid deceleration in the possibility that the bid could be used as a precedent sticky, the market will be further rationalisation within the sector. In that case, the basis of valuing the various liabilities and the net assets to come.

would take on a special portance. The pension funds offer only a very small way to its original proposals, an increase in its terms from 96 per cent of its net asset values is necessary. However the basis of calculating assets will be of much less importance. Standard's many private holders given the fact that 1976 the market value shares stood at a discount anything between 20 per cent of net assets. 8 could squeeze a few extra out of the pension funds to do the sums it was the present terms have a sporting chance of success.

Equity market Up 26.7 points in the days, the 30-Share Index now pulled back over its setback of the previous trading days. On the fact the equity market looks like a rather more stable lies ahead, and it was not that the tempo of slackened off markedly week progressed. Interest rates have key influence on security for some time past, authorities have largely ceased in checking the long decline which took place in January. There are pressures for a further easing in money cost "shadow" Minimum Rate indicated by the treasury bill tender, rate have fallen a further 11 1/2 per cent. But a further drop in the near future would require a distinct change in policy by the Bank of England. And that, despite of this week of the undisciplined trend in money, seems unlikely.

The market brushed yesterday's news of a jump in the Retail Price Index for the moment, it is to go along with the market's prediction of a term surge in inflation. But by a rapid deceleration in the possibility that the bid could be used as a precedent sticky, the market will be further rationalisation within the sector. In that case, the basis of valuing the various liabilities and the net assets to come.

## Massey Ferguson strikers reject peace proposals

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

A MEETING of strikers at the Massey-Ferguson Tractor Plant in Coventry yesterday threw out peace proposals and voted by an overwhelming majority to prolong the nine-week dispute.

The note and hostile reaction of the 1,150 workers surprised union officials, who had recommended a return to work. Rejection of the terms, hammered out in nearly 10 hours of talks at national level, is a major setback. Lost production - 30 per cent of it for export - already totals £33m., and the protracted dispute undoubtedly threatens the long-term viability of tractor-assembly at the Coventry plant.

The strikers are not scheduled to meet again until next Thursday, and there is general pessimism about prospects for reviving peace talks.

Events over the past three months, including a court order granting the company repossession from strikers harrided inside the Banner Lane plant, had bred "an atmosphere of antagonism and distrust," said Mr. Povey.

The dispute centres on 136 men fitting cabs for a new range of tractors, the piece work rate for which, when finally negotiated, will settle the level of earnings throughout the plant for nearly a decade. On December 20, the men were "taken off the clock" for lack of effort and gained the backing of more than 1,000 colleagues for strike action.

Under the proposed peace formula, management agreed not to take immediate disciplinary action for alleged lack of effort, but to allow five days to call in a general consensus of negotiations. The strikers insisted that such an agreement was less than they already had and that issues should go through procedure up to the national level before disciplinary measures were taken. The men declared that such an undertaking was an absolute minimum requirement for a return to work.

## Foot allows longer discussion of devolution guillotine motion

BY RUPERT CORNWELL, LOBBY STAFF

OPPOSITION demands for an orderly constitutional conference to unravel the devolution (to be mounted yesterday and Mr. Michael Foot, the Minister in charge of the Bill, made yet another embarrassing by agreeing to extend the guillotine debate.

The motion to curtail debate in a further 20 days Tuesday and six hours instead of the three which Mr. Foot originally allotted. Announcement of the three-hour limit drew furious criticism from the Conservatives and some Labour backbenchers.

In a separate conciliatory move the Leader of the House yielded to pressure from Labour Left-wingers for a debate on the devolution orders against the two Americans, Mr. Philip Agee and Mr. Mark Hasenbal.

This will take place after the devolution vote on Tuesday and will probably run into the small hours of Wednesday morning. At Westminster, meanwhile, Government whips are increasing their efforts to whittle away at the 35 rebel Labour MPs who plan to vote against Tuesday's timetable motion or abstain. If the prospects for success looked fractionally brighter at Westminster yesterday, the outcome still hung on a knife-edge.

In Edinburgh Mr. Thorpe accused the Government of failing to listen to reasoned arguments in the Commons. It was therefore illogical to vote for a guillotine which reduced debate to help a bad Bill through Parliament.

Defeat for the guillotine could prove a blessing for the country, he said. The Government's duty would be to call a constitutional conference at which all parties would be present, and whose criteria would be the overriding interests of the U.K., not those of the Labour Party or the Scottish National Party.

Mr. Steel, known to be highly critical of Mr. Foot's handling of proceedings in the Commons, would be the same point. He was confident that even if the Government scrapped home on Tuesday the legislation would be amended in the House of Lords to remove "fundamental faults."

Complexity The tattered condition of the legislation is producing increased pressure for an all-party conference from Tory and Liberal spokesmen.

Although these demands reflect a widespread feeling that the complexity of the devolution proposals is too great to be handled by the Liberals, who have long advocated devolution at Westminster. The Government tried in vain to reach an accommodation to gain Liberal backing for the time-table motion.

Changes are believed to have been made to the Government's plans for controlling prices after the summer so as to make the package more palatable to the unions.

The Department of Prices, which is expected to publish its proposals on Tuesday, has already had informal discussions with both industry and unions about the possibility of replacing the present code with a more flexible system. The TUC has argued that the new system would involve a larger discretionary element than the present code and would be backed by tougher powers to reduce prices in specific cases, should be in addition to the existing controls.

## Money off target, Healey confirms

By Michael Blanden

MR. Denis Healey, Chancellor of the Exchequer, said yesterday that, though "not everyone was agreed about the question of the fall in interest rates at the beginning of the year, one was 'relaxed' about it now."

In his speech in the Labour Economic Finance and Taxation Committee, he confirmed the indications that money supply growth and domestic credit expansion will be well under their targets for the current financial year. He stressed that the question of the internal deficit being financed by means which would fuel inflation.

Later the Bank of England continued to resist market pressure for a further downward trend in its minimum lending rate by keeping the normal market-related formula in suspense. The Bank held MLR at the 12 per cent. fixed when it first overrode the formula a fortnight ago.

The level of rates on Treasury bills dropped further at the weekly tender to a point below 11 per cent, which in normal circumstances would produce a cut in MLR to 11 1/2 per cent.

## Weather

U.K. TO-DAY  
BLUSTERY showers drying out. Strong W wind moderating.

London, S.E. Cent. S., E. England, E. Anglia, Midlands Sunny intervals. Max. 7C (45F). Channel Isles, S.W. England, Wales Rain more general in evening. Max. 8C (46F).

N.W. England, Lakes, Isle of Man, S.W. Scotland, Glasgow, West. Highlands, N.W. Scotland, Rainy periods. Max. 6C (43F). Aberdeen, Murray Firth areas, Cent. Highlands, N.W. Scotland, Rainy periods. Wind E, backing N. or N.W., fresh to strong.

Outlook: Rain in many areas. Rather colder.

BUSINESS CENTRES table with columns for City, Day, and Temperature.

HOLIDAY RESORTS table with columns for City, Day, and Temperature.

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